

Weekly Compilation of
**Presidential
Documents**



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WEEKLY COMPILATION OF

PRESIDENTIAL DOCUMENTS

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Week Ending Friday, January 12, 1996

The President's Radio Address

January 6, 1996

Good morning. Today I want to talk with you about the great debate on the budget. This debate is not just about abstract numbers, and it certainly goes far beyond party politics as usual. It is instead about vital principles and momentous issues for our country. We're addressing profound questions about what kind of country we are and what kind of country we're going to be, about what we owe to each other and what we owe to our children and to America's future.

These questions have dominated our politics for quite a long time now. And now it is decision time, time to move beyond arguments and come to conclusions.

For 3 weeks, the Federal Government has been shut down because Republicans in Congress refused to enact legislation to keep it open. This shutdown has had a real and unfortunate impact on the lives of millions of Americans. Now, I'm pleased to report that Congress has acted to bring Government employees back to work and to reopen most services to the public. This sets the stage for constructive, honest, and focused discussions on how to balance the budget while remaining true to our values and true to our future.

America is at a crossroads. One path leads to continual partisan conflict, where nothing is ever really resolved and each decision simply sets the stage for the next fight. The other path leads to national unity, a unity built on true solutions and real common ground. Down this path lies progress and strength that has always been the right path for America.

So I appeal to the Congress and to members of both parties to put aside partisanship and work to craft a balanced budget agreement that upholds our values and reflects the common ground the American people have decided upon.

You know, we've been talking about the budget for months. The American people have heard our deeply held views, and we've had time to listen to theirs. I believe there is an overwhelming consensus on a course that is also the right course for America: a balanced budget in 7 years, because it's wrong to leave a legacy of debt to our children; a budget that protects Medicare and Medicaid, because we owe a duty to our parents, to the disabled, and to our poorest children; a balanced budget that protects education and the environment, because we owe a duty to our children and to future generations; and a balanced budget that doesn't single out the hardest pressed working families for higher taxes.

The American people have decided that it is better for people to work than be on welfare, that welfare should be a temporary help, not a way of life, but that the solution should support children and families, not undermine them. Americans have decided they want a smaller Government that is less bureaucratic and more creative, that serves them as well or better with less money, and that there should be a tax cut that promotes educational opportunity and strengthens the ability of families to care for their children.

Now we can achieve these goals. We can balance the budget while remaining true to these values. This is a great challenge but not the greatest one we have faced. It is not the financial numbers that are blocking our progress. It is political ideology. It is time now to do what our parents have done before us, to put the national interests above narrow interests.

Later today, I will be meeting for several hours with the Republican and Democratic leaders of the House and the Senate. Over the past 2 weeks, we have had serious, detailed, constructive discussions about all the issues before us: Medicare, Medicaid, education, the environment, taxes, and spending.

I know that if we work together and embrace the possibility for a true national unity, we can reach an agreement to balance the budget that you will be proud of and that will be good for America. And that's what I am determined to do.

This is a moment of great progress and great promise for our country. Many of us hold very strong views about how best to seize that moment. But above all else, now is the time to find common ground, for taking the best that each side has to offer and fashioning a sensible solution. That's the American way. And that is what will get us to the right kind of balanced budget.

This budget debate has been difficult, demanding, and not always pretty. But remember, democracy is raucous and often full of debate that is not always pretty. But our country is still the world's greatest democracy, a beacon of peace and freedom for the world.

I ask for the help of every American so that we can build an even greater future for our children.

Thanks for listening.

NOTE: The President spoke at 10:06 a.m. from the Oval Office at the White House.

Statement on Signing the Sixth Continuing Resolution

January 6, 1996

Last night, I signed into law H.R. 1643, the Sixth Continuing Resolution for fiscal 1996, which puts all Federal workers back on the job with pay from December 16 until January 26 and also funds a limited number of Federal activities until September 30, 1996.

This bill is a step in the right direction—but only a step. It does not end the partial shutdown of the Federal Government that continues to seriously impair the activities of the Departments of Commerce, Education, Health and Human Services, Housing and Urban Development, Interior, Justice, Labor, State, and Veterans Affairs; the Environmental Protection Agency; the National Aeronautics and Space Administration; the Small Business Administration; and many smaller agencies.

Most importantly, H.R. 1643 enables Federal workers to return to the job and to be paid—both the 480,000 who have been working without pay and the 280,000 furloughed workers.

The bill also funds a limited number of Federal functions for the rest of fiscal 1996. They include nutrition services for the elderly; grants to States for child welfare services; Federal Parent Locator Service activities; State unemployment insurance administration activities; general welfare assistance payments and foster care payments to Indians; the Federal subsidy to the rail industry pension and certain other expenses of the Railroad Retirement Board; visitor services of the National Park System, National Wildlife Refuges, National Forests, Smithsonian Institution, National Gallery of Art, John F. Kennedy Center for the Performing Arts, and United States Holocaust Memorial; and State Department visa, passport, and U.S. citizen services. In addition, family support payments to States and payments to States for foster care and adoption assistance are provided through March 15, 1996.

The bill ensures, through September 30, 1996, benefit payments to about 3.3 million veterans and their survivors. It also provides for payments to contractors of the Veterans Health Administration for services related to the health and safety of patients in Veterans Affairs medical facilities.

The measure provides authority for the District of Columbia to continue full operations, using District funds, through September 30, thereby extending the authority provided by the Fifth Continuing Resolution for fiscal 1996, which expires January 25. Regrettably, the measure contains an objectionable provision that would single out poor women by prohibiting the use of District funds for providing abortion services. I oppose including this provision in the regular fiscal 1996 District of Columbia appropriations bill, and I urge the Congress to send that bill to me—in a form I can sign—as soon as possible.

The measure also provides for reimbursement to States for State funds used to implement Federal programs and to pay furloughed State employees whose compensation is advanced or reimbursed, in whole or in part, by the Federal Government during

any 1996 lapse in appropriations and it makes interest payable on the State funds that were used.

The problem with this bill is in what it does *not* do. It does not end the inconvenience, if not suffering, that millions of Americans continue to experience because of the partial government shutdown. It does not provide funds to help put 100,000 more police officers on the streets of U.S. cities; funds for Head Start; funds for the States for social services and job training; funds to help U.S. businesses with export financing; and funds to continue the Space Station program and other key initiatives at the National Aeronautics and Space Administration. Nor does the bill provide needed funds for contracts vital to protecting the environment.

Along with denying services, the shutdown is threatening the vitality of thousands of businesses, many of them with contracts with the Federal Government. Also at risk are the jobs of thousands of workers in those businesses. The longer the shutdown continues, the more its effects will be felt.

Clearly, this bill is only a partial solution to the partial shutdown. The real solution, and the one that the Congress should pursue without delay, is to send me acceptable 1996 appropriations bills for the agencies in question or, at a minimum, an acceptable continuing resolution that will permit the Government to perform the full range of services that citizens expect.

William J. Clinton

The White House,
January 6, 1996.

NOTE: H.R. 1643, approved January 6, was assigned Public Law No. 104-92.

Statement on Signing the Seventh Continuing Resolution

January 6, 1996

Today I have signed into law H.R. 1358, the Seventh Continuing Resolution for fiscal 1996, which provides funds for a long list of Federal activities through September 30.

This continuing resolution builds upon H.R. 1643, which I signed early this morning and which put all Federal workers back on

the job with pay from December 16 to January 26 and provided funding for a limited list of Federal activities.

While both measures help to restore needed Government services, the Congress has not ended the partial shutdown of the Federal Government, nor the suffering it is causing millions of Americans and thousands of businesses. The shutdown continues to affect the Departments of Commerce, Education, Health and Human Services, Housing and Urban Development, Interior, Justice, Labor, State, and Veterans Affairs; the Environmental Protection Agency; the National Aeronautics and Space Administration; the Small Business Administration; and many smaller agencies.

This bill provides full-year funding for allowances to Peace Corps volunteers, their spouses and minor children; activities, including administrative expenses, needed to process single-family mortgage loans and refinancing for low-income and moderate-income families; projects and activities directly related to the security of U.S. diplomatic posts and facilities abroad; the Federal Emergency Management Agency's emergency food and shelter program; retirement pay and medical benefits for Public Health Service Commissioned Officers, payments under the Retired Serviceman's Family Protection Plan and Survivor Benefit Plan and for the medical care of dependents and retired personnel, and payments to the Social Security trust funds, which the Secretary of Health and Human Services deemed necessary because of Commissioned Officer pay raises; and projects and certain activities of the Federal Bureau of Investigation, Drug Enforcement Administration, Organized Crime Drug Enforcement, Federal Prison System, U.S. Attorneys, U.S. Marshals Service, Support of U.S. Prisoners, Fees and Expenses of Witnesses, Immigration and Naturalization Service, and the Executive Office for Immigration Review.

Also funded are projects and activities of the Judiciary; Health Care Financing Administration State surveys and certifications; trade adjustment assistance benefits and North American Free Trade Act benefits; payments to health care trust funds; expenses of Medicare contractors; grants to States for

Medicaid; the general business loan guaranty program and section 504 certified development company program; surety bond guarantees revolving fund; visitors services on public lands managed by the Bureau of Land Management; disease control, research, and training; Indian self-determination and self-governance projects and activities of tribes or tribal organizations; expenses of the Kendall Demonstration Elementary School and the Model Secondary School for the Deaf; and payments for benefits and interest on advances, and expenses of operation and administration, for black lung disabilities and disabled coal miners.

This measure also extends, from December 31, 1995, to June 30, 1996, the Yavapai-Prescott Indian Tribe Water Rights Settlement Act of 1994 and extends the San Carlos Apache Tribe Water Rights Settlement Act of 1992 from December 31, 1995, to December 31, 1996. The bill also includes fisheries related provisions.

Even with H.R. 1643 and H.R. 1358 in place, however, the Congress has not funded significant activities covered by the six appropriations bills that are not enacted. The Congress has not provided funds to help put 100,000 more police officers on the streets of our communities; funds for the States for social services and job training; funds for Head Start; funds to help U.S. businesses with export financing; funds to help the Environmental Protection Agency enforce environmental laws; and funds to continue the Shuttle program and other key initiatives at the National Aeronautics and Space Administration.

Along with denying services to our citizens, the shutdown is threatening the vitality of thousands of businesses which supply goods and services to the Federal Government under contract. The jobs of thousands of workers in those businesses are at risk. The longer the shutdown continues, the more that its effects will be felt. Clearly, this is no way to run the Government and deliver services and benefits to millions of Americans, whether they are elderly, children, students, working parents, or businessmen and women.

More than 3 months into fiscal 1996, the Congress has not even sent me three of the

six remaining, full-year appropriations bills. I vetoed the other three because they would have been bad for the country. Those bills underfunded essential programs for the environment, for veterans, for law enforcement, for technology, and for Native Americans.

At this point, the Congress should work with me to reach agreement on these six measures. At the very least, the Congress should send me an acceptable continuing resolution that will fully reopen the Government while they work with me to find common ground on the budget.

William J. Clinton

The White House,
January 6, 1996.

NOTE: H.R. 1358, approved January 6, was assigned Public Law No. 104-91.

Message to the Congress Transmitting Balanced Budget Legislation

January 6, 1996

To the Congress of the United States:

I hereby submit to the Congress a plan to achieve a balanced budget not later than the fiscal year 2002 as certified by the Congressional Budget Office on January 6, 1996. This plan has been prepared by Senator Daschle and if passed in its current form by the Congress, I would sign it into law.

William J. Clinton

The White House,
January 6, 1996.

Open Letter to Federal Government Employees on the Furlough

January 6, 1996

We want to welcome back those of you who have been furloughed and express our deep appreciation to *all* of you in the federal work force.

Through no fault of your own, you have been forced to carry on in very difficult circumstances—some of you on furlough, and more of you unpaid, all of you doubtless unsettled. Although the continuing resolutions

signed today provide neither a satisfactory nor a complete resolution to the current budget dispute, we have succeeded in returning all of you to work with full retroactive pay.

And if there is any positive outcome to the pain and hardship you have undergone for the past three weeks, it is that your fellow Americans have been made painfully aware of the importance of your work.

The inconvenience and pain of this shutdown spread from coast to coast. Veterans benefits were curtailed. Services to small businesses have been interrupted. Important environmental protections have been shut down, including Superfund cleanup and programs to combat air and water pollution. FBI training of state and local law enforcement officers was stopped.

The list of curtailed or limited services goes on and on. FHA mortgages and housing vouchers were halted. State rehabilitation services for those with physical and mental disabilities have started to shut down. Travelers found National Park Service facilities closed, National Forests restricted, great museums padlocked, and passports unavailable.

A ripple effect extended the economic hardship beyond the federal work force to millions of other Americans who provide services to or receive them from you—hardships that, sadly, will not disappear with the stroke of a pen.

Let us be clear: there was absolutely no excuse for this shutdown. We and Republicans in Congress have differing views on how to balance the budget, and that's why we are engaged in negotiations. But there was no justification for this government to be closed while negotiations progress. And there is no justification for Congress' failure to fully fund all government services.

Once again, many of the men and women who make up our federal government were held hostage, with your paychecks delayed and your security threatened during the holiday season. You were put unfairly in the middle of a battle you did not seek. But—whether you were furloughed or working—by your commitment and your sacrifice, you continued to serve our nation as loyally as ever during this crisis.

We salute you for your dedication, and we thank you.

**Bill Clinton
Al Gore**

Remarks on the Federal Budget and an Exchange With Reporters

January 6, 1996

The President. Let me say that I am pleased that Congress has completed the task of reopening the Federal Government which was begun a few days ago. And I hope that no Congress will ever again shut the Federal Government down in this way. As has been said, it is morally indefensible to hold needed Government services and hard-working Government employees hostage in a political battle.

I'm also pleased to submit the budget plan prepared by Senator Daschle which the Congressional Budget Office says will reach balance in 7 years. This plan illustrates what we have been saying all along, that you can balance the budget in 7 years and protect Medicare, Medicaid, education, and the environment and provide tax relief to working families.

Now it's time to get back to work. This is a moment of great national promise, and we need to find unity and common ground; we need to rise above partisanship to fashion a sensible solution that is true to our values, honors our obligations to our parents and to our children, and builds a stronger future for our country. And in just a few moments we will go back to work.

Q. Sir, what was your priority, to technically meet their demands and open it up, or to get it—

The President. Well, we have reached a point in our negotiations—we have been working in good faith now for days and days, identifying areas of agreement as well as areas of disagreement. And last evening when we ended our session and we agreed to meet again today, we both said that we would try to speed up the negotiations, move as quickly as possible to see if we couldn't at least reach a framework agreement. And this was an appropriate time to do that. And so I'm hopeful that we can reach agreement.

As I said, these numbers show that the Congressional Budget Office agrees that you can balance the budget and still provide adequate protection for Medicare, Medicaid, education, and the environment.

Q. How soon do you think you can get this closed?

The President. How soon—I don't know—we've been in about a 2-hour recess now, and I'm looking forward to getting back to work. And I'm prepared to work all day tomorrow. We have tentatively agreed to start again tomorrow morning, and if the weather doesn't prevent us, I'm prepared to just stay all day. Depending on how big a snow, the weather might not only not prevent us but actually help us to stay here and get downright cozy.

NOTE: The President spoke at 9:06 p.m. in the Oval Office at the White House.

Statement on the Death of Former President François Mitterrand of France

January 8, 1996

I learned with deep regret this morning of the death of former President of France François Mitterrand. During his 14 years as President of the French Republic and in frequent service as a minister in the post-war years, President Mitterrand put his remarkable intellect and deep-rooted dedication to democracy at the service of the French nation.

Not only France but the United States and the entire world benefited from his strong and principled leadership. He stood shoulder-to-shoulder with his NATO allies during the Soviet challenges of the early 1980's, the Gulf war, and the peaceful revolutions that ended a half-century of East-West confrontation. President Mitterrand's stalwart leadership during some of the Alliance's greatest challenges leaves the people of Europe with a hard-won legacy of peace.

I consulted frequently with President Mitterrand, as did my predecessors, and greatly valued his insights, advice, and wisdom. He was a man of vision whose strength helped bring Europe and the West through a period

of tough confrontation to the peaceful, undivided Europe we are building today.

Hillary and I join the American people in expressing heartfelt sympathy to the people and the Government of France and to Danielle Mitterrand and the Mitterrand family. We hope the sorrow of this difficult time will be eased by an appreciation of the profound contribution that President Mitterrand made to his nation and the world. He was a great statesman.

The President's News Conference

January 9, 1996

Budget Negotiations

The President. Good afternoon. As you know, we have just completed another long meeting with the Republican and Democratic leaders in the Congress. We have arrived at a point where, clearly, all sides have agreed on more than enough cuts to both balance the budget in 7 years, according to the Congressional Budget Office, and allow a modest tax cut. A final agreement on the balanced budget, I believe, is clearly within reach.

Unfortunately, the talks have not yet succeeded because we do still disagree on the level of cuts in the programs of Medicare, Medicaid, aid to poor children, the earned-income credit, which protects the hardest pressed working families, and education and the environment.

The Republicans still want cuts in Medicare and Medicaid that we believe are well beyond what is necessary to balance the budget, and cuts in the discretionary account which funds education and the environment that we believe are excessive and beyond what is needed to balance the budget or to provide a reasonable tax cut.

Still I want to emphasize that we made progress today. The atmosphere was good. It was a genuine bipartisan effort. We are moving closer together on the spending numbers. At the opening of the meeting, we moved and made an initial offer to them. We are clarifying areas of policy agreement as well as the areas of disagreement. And today we agreed to a recess to last no longer than until next Wednesday, during which time our

staffs will work directly to clarify the agreements, as well as the remaining areas of disagreement, and hope to find some new ideas to bridge the gap which remains.

I also would say, right at the very end of the meeting I left all the parties with a proposal which could possibly bring this to a conclusion. And I asked both the Democratic and the Republican leaders to consider that proposal.

Over the last year, I've worked hard to find common ground on this issue. At the start of the process, I said the Republican Party and the Democrats and I shared a common goal to balance the budget. And I agreed that we also ought to have at least a modest tax cut targeted to middle class families. I was determined to reach this goal in a way that reflects our fundamental values: our duty to care for our parents and our children, our commitment to provide opportunity for all Americans, to invest in education, and to protect the environment for the future.

In June I announced a balanced budget plan that offered a modest tax cut and protected Medicare and Medicaid, education and the environment, without raising taxes on working people. Then the congressional Republicans said that the plan took too long and asked me to do it in 7 years. In an effort to find common ground, I went back to work and cut several hundred billion more dollars out of the budget and presented a 7-year budget. Then, because we disagreed on certain assumptions in the budget—primarily affecting the last 3 years, I might add—they asked me to agree that in the end we would have to have a budget that met their assumptions. I agreed to that, as long as the budget protected Medicare, Medicaid, education, and the environment and did not raise taxes on working people.

Then some of those in Congress said they wanted me to present such a budget. So after our negotiations had gone on for some time, I did that. When I presented that budget, which was prepared by Senator Daschle, it did highlight the differences between us, because it does have smaller cuts in Medicare and Medicaid and education and the environment. There is no tax increase on the hardest pressed working families. And the tax cut is a smaller one and more carefully tar-

geted to middle class families. But clearly, it balances the budget in 7 years, and the Congress and the Congressional Budget Office agreed.

I want to emphasize that I want to do this. And I ask all of you to remember that the deficit has already been cut in half in just 3 years from what I found when I came here. This administration has the credibility of its actions behind its plan. I hope that we can reach agreement. There is still about a hundred billion dollars' difference in the cuts that the Republicans want us to make in Medicare, Medicaid, aid to poor children, and the earned-income tax credit for working families that we believe are not necessary. We are trying to work through that.

It seems to me clear that—and as I've said this many, many times—sooner or later a decision has to be made: Are we going to balance the budget and provide a modest tax cut, or are we going to fundamentally weaken the guarantees inherent in the Medicare and Medicaid programs and change policies dramatically and provide a tax cut that, in my view, cannot be justified by the circumstances in which we find ourselves? So that is where we are today.

Let me say again, we moved closer together today. I made a move toward them, and then at the end I made a proposal, then asked them to consider it. I hope that we can continue to make some progress. I will say again, we have agreed on several policy areas in the Medicare program, for example. The most important policy we can adopt is one which gives more incentives for people to move into managed care programs without forcing them to do so. I've been for that since 1993. We are in complete agreement on that. And the Medicaid program—we've agreed that the States should have more flexibility to get people into managed care, to find ways to save money on the program so that they can expand coverage to others who don't have it. We're in agreement on that. And we can agree on a balanced budget with a tax cut if we don't hold either goal hostage to an excessive tax cut or to excessive cuts in the priorities that are very important to our future.

So I want to keep working together. I think we did—we've covered a lot of ground. We

have certainly learned a lot from each other. And I am very much hoping that we can make this agreement. It will require us to make some more steps to bridge the gap, but the—we have agreed to well over—way over \$600 billion in savings, more than enough to balance the budget. What remains is the, if you will, the ideological differences over the size and shape of the tax cut and over the size and character of the changes in Medicare and Medicaid and the investments in education and the environment.

Q. Mr. President, do the Republicans want the biggest tax cut for the richest people in the country? Do they still hold to that?

The President. Well, the largest amount of money in their tax program is one, of course, with which we're very sympathetic—it's a children's tax credit. I've proposed the family tax credit for children, and they have, and theirs is more generous than mine. They spend much more money on theirs than mine. So that's the largest amount.

The capital gains tax credit will have the biggest economic benefit to the smallest number of people. And then there are some other things in their tax program which is kind of skewed upward. There are also some other very good things in their program. We have to ask ourselves, you know, how much we can afford. A lot of the things in their program that I agree with involve help for small business on the expensing provision. I have proposed some pension reform legislation. That was the number one priority of the White House Conference on Small Business. It only costs a billion and a half dollars over 7 years, but it was their number priority, and we agree on that.

So—and of course I would like to see this education credit that I have been advocating. But overall we have to ask ourselves: What is the prudent amount of tax cut that can be afforded in a credible balanced budget plan? And how much saving can you achieve in the Medicare and Medicaid plan without either hurting the beneficiaries or crippling the health care delivery system? That is the issue.

And the truth is, no one knows for sure over 7 years. The savings that we have proposed are by far the greatest ever actually enacted. If the ones I have proposed were

to be enacted, they'd be by far the largest ever enacted. But I have tried, instead of taking an arbitrary number, to go out and analyze what the burdens on the providers, analyze what is likely to happen with the—for example, the number of poor children, the number of disabled people, the number of elderly people, and just figure out what we think the system can bear as we move towards managed care.

Keep in mind: If the Republicans turn out to be right, and a lot of these reforms that are happening in the health care system generate more savings than I think they will, or than I—than we can know they will, then no one in the wide world will object to us putting those in the budget next year, the year after that, the year after that. I just hate to see us write into stone something now that we might not be able to live with. And the markets are entitled to know, if we adopt a balanced budget plan, it is a credible plan with a reasonable chance of achievement.

Q. Mr. President, could you tell us whether the offer that you made at the start of today's meeting was a full-blown counter to the offer that the Republicans had made over the weekend? And secondly, could you describe, at least to some extent, the idea that you outlined at the end of the meeting?

The President. Well, we have agreed not to get into too much of our negotiations. I can say that—I don't know whether you'd call it a full-blown counter. It was—I moved in advance of the Daschle budget, toward their position at the beginning of the meeting, with the agreement of our Democratic negotiators. At the end of the meeting, I basically offered a set of changes which would bring us to the same amount of dollar savings, with a tax cut that would be targeted to families that would, I thought, come nearer to meeting what they said their objectives were on the tax side, without compromising where I thought we had to go with Medicare and Medicaid and education and the environment. Whether it will be—they want to examine it, I think, and I understand that. And they—I don't think they would characterize it as an offer, because it came literally from me only, not from Senator Daschle or Senator—or Congressman Gephardt.

Q. They seem to be suggesting that they'd made a great big step and that the response had been a rather smaller step——

The President. No, well, you can make—you can make numbers look like anything, but I—but let me say, I think if you go back and look at where my first budget plan was and where their first budget plan was, we have moved, I believe, at least as far as they have in the numbers.

But the point I want to emphasize to the American people is, our administration has cut this deficit in half in 3 years. I have always been for balancing the budget. I have bent over backwards to meet them halfway in a good bipartisan spirit, to do it in 7 years, not 9, as my plan would have done; to do it according to the Congressional Budget Office analyses, even though I don't entirely agree with it; and to make significant savings in the entitlement programs as well as the investment programs. But I don't believe we can go to the point where we don't know for sure that we have protected the people that are entitled to protection.

I have already—neither of these budgets is a big spending budget. Both these budgets will require steep cuts in spending. My discretionary budget, out of which we fund education and the environment, is lower than a hard freeze, which means there will have to be steep cuts in other areas in order for us to protect education and the environment.

So I will continue to work with them. We can do that, but we have to know when we adopt this budget that we can achieve these numbers without hurting innocent people. They depend upon us to balance the budget with discipline and with compassion.

Whitewater Investigation

Q. Mr. President, if I could just change the subject for a second. Your spokesman earlier today said that if you could, you'd like to punch William Safire in the nose for calling Mrs. Clinton a congenital liar in his column yesterday. I wonder if you'd care to respond publicly to these accusations against your wife.

The President. Well, what I said was, you know, when you're President, there are a few more constraints on you than if you're an ordinary citizen. If I were an ordinary citizen,

I might give that article the response it deserves.

I'm reminded of the great letter that Harry Truman wrote, which I—by the way, which I have now. It was a gift to me from a distinguished Republican. And I have it on my wall—you know, that Presidents have feelings, too. I think the American people—I would just remind the American people, we've been through this for 4 years now. And every time somebody has made a charge related to the Whitewater issue, it's turned up dry. And the only records, as far as I know, that haven't been disclosed so far, as far as you know, we still haven't seen the release of the RTC report, which says that, after all, we told the truth all along about the underlying matters here. So I just would like to ask the American people to take a deep breath, relax, and listen to the First Lady's answers, because we've been through this for over 4 years now, and every time a set of questions comes up, we answer the questions and we go on. The American people are satisfied, and they will be again.

She is—I've said before, I'll say again—if everybody in this country had the character that my wife has, we'd be a better place to live.

Thank you very much.

NOTE: The President's 112th news conference began at 5:16 p.m. in the Briefing Room at the White House.

Excerpts of Remarks on “Clearing the Air: Kids Talk to the President About Smoking”

January 9, 1996

Linda Ellerbee. How can a kid ask a grownup to stop smoking?

The President. Oh, I think directly. I think children should not be self-conscious about that. I can tell you, you know, Chelsea did some very blunt things to her grandmother. She said, “You ever seen a picture of a lung where people have smoked for years, as against the picture of a lung where people haven't?” I mean, very straightforward stuff.

Ms. Ellerbee. Did it work?

The President. It worked. It took a few years, but it worked finally. On my daughter's 8th birthday, her grandmother's present was that she quit smoking.

Ms. Ellerbee. Mr. President, do you have any final thoughts for kids on this issue?

The President. You young people cannot believe the potential influence you can have. You can ask adults the kind of hard questions you asked me. You can encourage every adult you care about and love to stop smoking. You can make it so that the cool thing to do is not to smoke instead of to smoke.

And you know, none of us are going to live forever, but you have the choice to maximize, to increase the chances of your living a long and full life. This is a choice you can make. The smoking choice is a choice you can make. It's totally within your control.

And I just want to encourage you. I'll do what I can, but I want to encourage you to do everything you can to get everybody you know to remain smoke-free. I think that is—that's the answer. And you can do it. We can change this country if we do it together.

NOTE: The President's remarks were recorded at 12:10 p.m. on December 12 for broadcast at 8 p.m. on January 9. Linda Ellerbee is the host of "Nick News" on Nickelodeon.

Statement on the Death of Ambassador M. Larry Lawrence *January 9, 1996*

I was deeply saddened to learn of the death today of our Ambassador to Switzerland, M. Larry Lawrence. Larry was a good friend and a valued colleague who brought his abundant energy and fresh vision to every task he undertook. As Ambassador in Switzerland, he was a tireless and effective advocate of U.S. interests, especially the promotion of U.S. exports and commercial ties. Larry's service to his country did not begin with his diplomatic assignment. During World War II, at the age of 18, he volunteered for the merchant marines. He was wounded when his ship was sunk by enemy torpedoes in arctic waters. Many years later, Larry was decorated with the Medal of Valor by the Government of the Russian Federation.

Larry's civilian life showed the same courage and resolve. As an entrepreneur, he restored the Hotel del Coronado, one of the west coast's outstanding architectural landmarks. Larry's quiet philanthropy also touched many lives. He believed passionately in education for women; the scholarships he endowed for minority women at the University of Arizona represent a lasting contribution. Hillary joins me in expressing our deepest sympathy to Larry's wife, Shelia, and to his children. We will miss him.

Statement on the Death of Former Representative Mike Synar *January 9, 1996*

Hillary and I were deeply saddened to learn this morning of the death of former Oklahoma Congressman Mike Synar. Mike Synar was a brave and unflinching public servant who in tough political times remained true to his principles. He did not always do what was popular, but he always did what he thought was right—for Oklahoma and for America. Throughout his life, and especially during the past 6 months, Mike Synar was a true profile in courage.

Hillary and I will miss him. Our thoughts and prayers go out to his family and friends at this difficult time.

Message to the House of Representatives Returning Without Approval the Personal Responsibility and Work Opportunity Act of 1995 *January 9, 1996*

To the House of Representatives:

I am returning herewith without my approval H.R. 4, the "Personal Responsibility and Work Opportunity Act of 1995." In disapproving H.R. 4, I am nevertheless determined to keep working with the Congress to enact real, bipartisan welfare reform. The current welfare system is broken and must be replaced, for the sake of the taxpayers who pay for it and the people who are trapped by it. But H.R. 4 does too little to move people from welfare to work. It is burdened with deep budget cuts and structural changes that fall short of real reform. I urge the Congress

to work with me in good faith to produce a bipartisan welfare reform agreement that is tough on work and responsibility, but not tough on children and on parents who are responsible and who want to work.

The Congress and the Administration are engaged in serious negotiations toward a balanced budget that is consistent with our priorities—one of which is to “reform welfare,” as November’s agreement between Republicans and Democrats made clear. Welfare reform must be considered in the context of other critical and related issues such as Medicaid and the Earned Income Tax Credit. Americans know we have to reform the broken welfare system, but they also know that welfare reform is about moving people from welfare to work, not playing budget politics.

The Administration has and will continue to set forth in detail our goals for reform and our objections to this legislation. The Administration strongly supported the Senate Democratic and House Democratic welfare reform bills, which ensured that States would have the resources and incentives to move people from welfare to work and that children would be protected. I strongly support time limits, work requirements, the toughest possible child support enforcement, and requiring minor mothers to live at home as a condition of assistance, and I am pleased that these central elements of my approach have been addressed in H.R. 4.

We remain ready at any moment to sit down in good faith with Republicans and Democrats in the Congress to work out an acceptable welfare reform plan that is motivated by the urgency of reform rather than by a budget plan that is contrary to America’s values. There is a bipartisan consensus around the country on the fundamental elements of real welfare reform, and it would be a tragedy for this Congress to squander this historic opportunity to achieve it. It is essential for the Congress to address shortcomings in the legislation in the following areas:

- *Work and Child Care:* Welfare reform is first and foremost about work. H.R. 4 weakens several important work provisions that are vital to welfare reform’s success. The final welfare reform legislation should provide

sufficient child care to enable recipients to leave welfare for work; reward States for placing people in jobs; restore the guarantee of health coverage for poor families; require States to maintain their stake in moving people from welfare to work; and protect States and families in the event of economic downturn and population growth. In addition, the Congress should abandon efforts included in the budget reconciliation bill that would gut the Earned Income Tax Credit, a powerful work incentive that is enabling hundreds of thousands of families to choose work over welfare.

- *Deep Budget Cuts and Damaging Structural Changes:* H.R. 4 was designed to meet an arbitrary budget target rather than to achieve serious reform. The legislation makes damaging structural changes and deep budget cuts that would fall hardest on children and undermine States’ ability to move people from welfare to work. We should work together to balance the budget and reform welfare, but the Congress should not use the words “welfare reform” as a cover to violate the Nation’s values. Making \$60 billion in budget cuts and massive structural changes in a variety of programs, including foster care and adoption assistance, help for disabled children, legal immigrants, food stamps, and school lunch is not welfare reform. The final welfare reform legislation should reduce the magnitude of these budget cuts and the sweep of structural changes that have little connection to the central goal of work-based reform. We must demand responsibility from young mothers and young fathers, not penalize children for their parents’ mistakes.

I am deeply committed to working with the Congress to reach bipartisan agreement on an acceptable welfare reform bill that addresses these and other concerns. We owe it to the people who sent us here not to let

this opportunity slip away by doing the wrong thing or failing to act at all.

William J. Clinton

The White House,
January 9, 1996.

Remarks Prior to a Cabinet Meeting and an Exchange With Reporters

January 10, 1996

The President. Hello, everybody. Is everyone in here? Well, first, let me say that we're having this Cabinet meeting to discuss the present status of our budget negotiations and where we are. As I have said all along, I am for balancing the budget in 7 years, but I want to protect the fundamental priorities of the American people and the future of the American people. We can balance a budget in 7 years, according to the Congressional Budget Office, without having dangerously low levels of commitment to Medicare and Medicaid, without having big cuts that undermine our commitments in education and the environment, without raising taxes on working families.

Now, that's what the Congress said they wanted. I've got this letter here from Congress, a letter from Congress to the Speaker saying that the budget we submitted in fact balances the budget in 7 years. The differences between these two budgets are now clear. We do not want to fundamentally change the commitment of the Medicare program to the health care of seniors. We do not want to fundamentally change the commitment of the Medicaid program to senior citizens, to poor children, to the disabled. We do not want to adopt a level of investment that makes it certain that we will have to turn our backs on the needs of education or the environment.

That is what this is all about. We can even have a modest tax cut for the American people, and for families especially, and balance the budget in 7 years according to the Congressional Budget Office. That's what this letter says. They agree now, so the only differences left between us are ideological differences.

And I said in the beginning, let me say again: If the objective is to get a 7-year bal-

anced budget that Congress says is balanced, we can do that. If the objective is to get a modest tax cut, we can do that. If the objective is to dismantle the fundamental American commitments through Medicare and Medicaid or to undermine our obligations in education and the environment, I will not do that.

That is basically where it is.

Budget Negotiations

Q. Mr. President, it seems like that what's being said here today and also with what's being said on Capitol Hill, that despite all of the good will that was apparent here yesterday, this really was a breakdown in the talks. You're very far away, and it sounds like you're not getting any closer together in this break.

The President. We're not—we're only very far away if you turn this into—if you insist on a tax cut which requires unacceptable levels of cuts in education and the environment and Medicare and Medicaid or you insist on fundamentally changing those programs in ways that will erode the protections that Medicare and Medicaid now give to seniors and to poor children and to disabled people or you insist on cuts in education that will cut back on scholarships or Head Start or you insist on cuts which will really weaken our ability to protect the environment. If that's the deal, it's reconciling not only the level of cuts—it's not just the money here, I want to emphasize that. It's the policy.

The Republicans—if I might, let me just take Medicare for an example, just for example. The Republicans and I agree that there should be changes in the Medicare program to encourage more seniors to have more options to join managed care programs. And we agree on a number of other provisions that should be changed that will strengthen Medicare and give more options to our senior citizens.

I do not agree with changes that I think will, in effect, break up Medicare and put more and more seniors at the mercy of the present private insurance system so that the older and lower income and sicker you are, the more at risk you are. I don't want to do that.

So if we can work that out, we'll have an agreement. It's the same thing——

Q. Can you explain why——

Q. It seems like what you're talking about here really is a fundamental policy difference that is not going to be bridged and, for example, can you possibly accept the idea that Medicaid would no longer be an entitlement?

The President. No. No. But let me say this: More than my predecessors, my Republican predecessors, I have been for and I continue to be for giving the States far more flexibility in the way they run the programs. But I don't believe we should send a check, a Federal check to the States and say if you decide that you no longer want to provide health care to some poor children or some disabled people or some seniors who are getting it now, that's okay with us. I don't believe that.

There is a national interest—a national interest—in protecting the health care of our children, our seniors, our disabled population. And I believe the American people believe that.

In terms of letting the States have more flexibility to make the money go further, to do different things with it, to expand coverage in different ways, we have been on the forefront of that. That's what the Vice President's reinventing Government effort is about, that's what Secretary Shalala has done in giving all these waivers to States. We are willing to go much further there.

But let me ask—I thought that we were supposed to be balancing the budget. We have agreed already, both sides have agreed to far more savings than are necessary to balance the budget in 7 years according to the Congressional Budget Office. That's what this little letter says here. That's what their letter says. Both sides have agreed.

If this is about balancing the budget, we could do it in 15 minutes tomorrow afternoon. The American people need to understand that. Congress now agrees. I have done this. I have given them a plan. It just simply does not have the dramatic changes in Medicare and Medicaid that I think will weaken our commitment to those folks, and it does not mandate cuts in education and the environment that are far larger than we could

sustain. That would be—we cannot take the discretionary account down so low that we know that we will not be able to protect education and the environment.

So that's where we are. We can balance the budget. It's very important that the American people understand that. We have agreed, the congressional leaders and I have agreed already to far more than enough reductions in Government spending to balance the budget within 7 years. We already have.

The issue here is over the policies involving Medicare, Medicaid, education, the environment, our opposition to raising taxes on the lowest paid working people and on the size and structure of the tax cut. This has nothing to do with balancing the budget anymore. Nothing.

We could balance the budget, literally, in 15 minutes tomorrow afternoon. And the Congressional Budget Office would say hooray. The financial markets would say hooray. Interest rates would drop. The economy would start to grow. Everything would be fine. Then we could have an election in 1996 about whether the American people agree with their view of Medicare or mine, with their view of Medicaid or mine, with their view of our obligations in education and training of our work force and our children or mine, with their view of environmental protection or mine.

Now, that's what we ought to do. We can do this in 15 minutes. So when they express pessimism, it's because they don't believe that—at least, maybe in the House and perhaps in the Senate as well—that they can pass a balanced budget program that they, their own Congressional Budget Office will say is balanced, but doesn't further these ideological goals. We ought to have an election about that.

If we're going to walk away from the fundamental commitments of Medicare, we ought to have an election about that. We haven't had an election about that. If we're going to say that our children, because they are poor, are not entitled to the health care they would otherwise get or that middle class families that have disabled children who are now getting help will or will not get that help depending on who happens to be Governor

of a given State, we ought to have an election about that.

And if we're going to say we're going to reduce the number of college scholarships, college loans, investments in our education system, investments in environmental protection, we ought to have an election about that. That is not what the '94 election was about, certainly not what the '92 election was about.

So let's come back here, balance a budget in 7 years, show the American people we can do it, get the economic benefits of doing it, and then have all 1996 to argue about these policies. That's the proper thing to do.

We have bent over backwards to reach good-faith, honorable, principled compromise, and we can still do that. And I don't understand what the problem is. We can even have a reasonably good-sized tax cut and do it. But there is a limit to how big the tax cut can be, and there certainly is a limit beyond which we cannot go in good conscience based on our priorities.

And let me just make one final statement. Ever since the Congress and I agreed to reopen the Government the first time, there was a resolution we passed—we all agreed to it. It said that, finally, we would agree on a budget that was balanced in 7 years, that the Congress would say was balanced in 7 years, that protected our priorities, Medicare, Medicaid, education, and the environment, and that's what the resolution said.

From the next day, all I ever heard was, "Where is your budget that they say is scored?" As if they had no obligation at all to deal with the other parts of the resolution. Well, here it is. This is their letter.

Now, what we ought to do is honor the second part of the resolution. That resolution said we're going to put off the ideological battles until the next election. That resolution said, yes, we'll balance the budget in 7 years, but we will protect education and the environment, and Medicare and Medicaid. And all I'm trying to do now is honor the resolution that I signed off on when we had the first Government crisis a few weeks ago.

Q. Do you think they've deceived you, Mr. President, in their goals? Did they deceive you?

The President. No, no. I always told you what this is about. I said this weeks and weeks ago, months ago. I have not been deceived. But you know, we don't—in a political system where one party, where even, I might say, one philosophy within one party does not have total control, sooner or later you have to ask yourself, are you going to make the perfect the enemy of the good?

You know, when the Democrats—let me just give you an example. When the Democrats had the Congress in 1993 and '94, we passed the most sweeping education reform we've passed in 30 years. I did not agree with every last line in every one of those bills. But I did not make the perfect the enemy of the good. I said, I want the education reform.

We passed a crime bill after 6 years of people talking about it before I got here. I did not agree with every line in the crime bill, but I said—and neither did the Attorney General. But we said, we're not going to make the perfect the enemy of the good. We're going to have a principled, honorable compromise. We passed the crime bill. We put over 30,000 police on the street. Crime is going down in America.

So I would plead with the Republicans to think about that, to look at that example. They can have an election over the biggest differences they have with me. Let's not make the perfect the enemy of the good. We have already agreed to enough spending cuts to balance the budget and to give a modest tax cut. Let us do it.

NOTE: The President spoke at 2:24 p.m. in the Cabinet Room at the White House.

The President's News Conference *January 11, 1996*

The President. Good afternoon. I want to report to you this afternoon and to the American people about the progress we've made toward achieving a balanced budget that reflects our values. But first, let me tell you about the action we are taking to help the millions of people along the East Coast who are stranded and afflicted by the Blizzard of 1996.

I have asked the Director of FEMA, the Secretary of Transportation, and the Sec-

retary of Defense to work together and to take all appropriate actions. Today I announced that we will provide Federal disaster assistance in situations where response is beyond the capability of State and local governments. In particular, we will provide funds to open up emergency routes in communities once States have applied for this assistance and FEMA verifies the need. This will allow ambulances, fire trucks, and other emergency workers to do their jobs.

Today I am announcing that this assistance will be provided to Maryland and the District of Columbia. FEMA has also received a request for assistance from New York, and we are expecting shortly to receive requests for assistance from New Jersey, Pennsylvania, Virginia, North Carolina, and Delaware. We will act on these requests quickly.

This has been a trying time for everybody affected. It's often the case that in natural disasters you see the best come out in people. As we continue to dig out from the Blizzard of '96, I hope Americans in their communities will continue to look out for their neighbors, to help those in need, and to pull together. We will do what we can here.

Now I want to discuss the budget. After many weeks of public debate and private discussion, historic agreement on a balanced budget is within reach if we set aside partisanship and work to seize this moment. I'm optimistic that we will balance the budget, and I know we have come too far to let this opportunity slip away.

In the 12 years before I took office, for the first time in America's peacetime history, our Government deficit skyrocketed. Our administration has already cut the deficit nearly in half. But our need to pay off the interest on the debt run up in the last 12 years is giving us a deficit. Indeed, but for the interest payments on the debt run up in the 12 years before I became President, our budget would be in balance today.

We have already reduced the size of the Federal Government by more than 200,000, so that it is smaller than it has been at any time since 1965. As a percentage of the civilian work force, the Federal Government is the smallest it's been since 1933. We cut hundreds of programs. We're eliminating

16,000 pages of rules and regulations. But it's time to finish the job.

Let me be clear: We can balance the budget. We can do it in a way that invests in our people and reflects our values: opportunity for all, doing our duty for our parents and our children, strengthening our communities, our families, and America.

As all of you know, I have submitted a plan to balance the budget in 7 years using the conservative estimates of the Congressional Budget Office. Let me repeat: With this letter, which I am carrying around with me to remind everyone that we have done it, Congress's own economists confirm what we have said all along. We can balance the budget without excessive cuts in Medicare and Medicaid, without cutting education or the environment or raising taxes on our hardest pressed working families.

Now as all of you know also, the Republicans in Congress are insisting on cuts in Medicare, Medicaid, education, and the environment that I believe are well beyond what is necessary to balance the budget, well beyond what is necessary to secure the solvencies of those programs, well beyond what is necessary for the Congressional Budget Office to say we have to do to balance the budget.

We all know, too, that there are two strains at work in the Republican effort. There is the genuine desire to balance the budget, which I share. But there are those who want to use the balanced budget and a huge tax cut crammed within the balanced budget to strip our National Government and our country of our ability to do our part here in Washington to help people out in our communities with the challenges they face. We shouldn't let our fundamental agreement on a balanced budget be held hostage to a narrower agenda that seeks to prevent America from giving Medicare to senior citizens or quality nursing home care or educational opportunity for young people or environmental protection to all of us.

We could quickly find common ground on balancing the budget and providing appropriate modest tax relief; we could do this in 15 minutes, after the tens of hours we have already spent together. What has held up this agreement is the insistence of the Repub-

licans on cuts that I believe are excessive in Medicare, Medicaid, education, and the environment, and insistence on a tax hike on the lowest income of our working families. These things are not necessary to balance the budget.

Having said that, let me say we have come a long way. We have agreed on well over \$600 billion of savings, far more than necessary to balance the budget. This should be a moment for national unity, a time to put aside partisanship, to reject ideology, to find common ground for the common good. A balanced budget that reflects the best of both parties, the best of our values and will pass on to the next generation a stronger America, that is within our grasp. We should get it done now, and I believe we will get it done in the near future.

Terry [Terence Hunt, Associated Press].

The First Lady

Q. Mr. President, some newly released documents raised questions about some statements by Mrs. Clinton on the White House Travel Office firings and her role in representing the Madison Guaranty Savings and Loan Association. Do you think it would be a good idea for her to testify before Congress to clear up these issues?

The President. Well, she has said that she will do whatever is necessary to answer all the appropriate questions, and I think that she should do that. And I think that we will determine in the days ahead, together, what is necessary. She has begun to answer those questions. We'll be doing some more of that before the week is out, and I presume we'll be doing quite a lot of it in the days ahead. And as you know, there was a hearing, I think, today on part of this matter in the Senate and will be another one next week. These questions should be answered.

Let me say, for 4 years, as these questions have come up, we have tried to answer them all; we have tried to be fully cooperative. And we will be in this case. And I think she should do what is necessary to answer the questions. That's what she said she'll do, and I think that's what will happen.

Q. Is that within the pale, though, testifying? Do you—

The President. Well, I think—I want to leave it the way I said it today. I think whatever is necessary to fully answer the questions she will do. That's what she said would do, and I think we should leave it there for now.

Budget Negotiations

Helen [Helen Thomas, United Press International].

Q. Mr. President, Speaker Gingrich seems to have thrown in the towel on the budget, seems to—says something about there won't be a budget, not until the next election. And you talked to Senator Dole today. Did he agree with that? What's going to happen? Is there a meeting on Wednesday? Also, the last proposal you put on the table, did that make a lot of new major concessions?

The President. Well, let me try to answer all those questions. First of all, we all pledged, all the parties, that we would not discuss our proposals that would require all of us to agree. So I don't believe that I should violate the understandings that we had in our meeting to discuss the specifics.

Let me say that we have come very close together, I believe. We have come most of the way. The differences in dollars are not as different now as some of the differences in policies. We have also made some remarkable progress on policies in some areas. We've had some interesting discussions, for example, on what we should do for small business, arising out of the White House Conference on Small Business. We've talked a lot about the serious problems that would befall our farmers if farm legislation is not enacted, or at least this farm bill extended—should it be allowed to lapse; we can't have that. So we've talked about a lot of other things. We've had long, exhaustive discussions about welfare reform in an attempt to resolve that in the context of these negotiations. So I think the talks have been good, even though there are still some thorny difficulties remaining.

I called Senator Dole today because I just kind of wanted to check in with him and get a reality check. I said, you know, when we left that meeting I asked you and I asked the Democratic leaders to consider a proposal that I made because I had not made

it to the Democrats either. I wanted them, all four, to look at it. We had an agenda of things that our staffs were going to work on during this week. And we characterized it quite consciously as a recess. And I still feel that we can and should reach an agreement. And I just want to make sure you feel that way, and if so, we'll keep working together. And I got a pretty good response.

Now, I have not had a chance to talk to the Speaker. But I can tell you this: When we left, we agreed that they would consider the last suggestion I made, all of them. We agreed that there would be certain things that we would work on together and with the Governors. We agreed that this would be a recess, and we agreed that we would meet on Wednesday. So I assume that all that is still the way it was agreed.

Q. Well, are the American people going to have to tolerate one shutdown after another and neglect of all their services?

The President. Well, as you know, I didn't—I don't approve of any of these shutdowns. I think Congress was wrong to do it the first time. I think it was wrong to continue. I was pleased when Senator Dole said that that policy should be abandoned, and I was pleased when the Speaker said that it was morally indefensible to hold the Federal employees hostage. So I do not believe it will shut down again. There is no need to have a shutdown again.

I'm telling you, we're not that far apart. If the objective is balancing the budget and giving an appropriate tax cut, we are not that far apart. And we ought to resolve the policy issues we can resolve, put the ones we can't to the side. There will be plenty of things to argue about in the election season, but this is something we ought to give the American people. And I think we will. I'm quite confident. I think we will.

Mr. Blitzer [Wolf Blitzer, Cable News Network].

President's Visit to Bosnia

Q. Mr. President, could you explain to us why it's so important that you go to Bosnia at this moment, when U.S. troops and NATO troops are still trying to implement the peace agreement and having all sorts of logistical problems, and the security situation, frankly,

is not very good, as well? Why endanger yourself and the deployment in order to go to Bosnia right now?

The President. Well, first of all, I do not believe that in going there I would endanger the deployment. And the judgment about whether I am in danger is one that is made by the Secret Service, and they believe we can make the trip that we have scheduled. I would not go if the commanders were not ready for me to come.

As you know, I wanted very much to go there over Christmas, on Christmas Eve. But our commander there said that it was an inappropriate thing to do because of the disruption in the deployment.

I think it's important that I go see the troops, that I see firsthand how this mission that I have sent them on is being implemented, that I tell them, personally, that they are doing a good job. They are performing a remarkable service in a terribly important mission. So I feel quite comfortable about this trip. We have worked very hard with our commanders on the ground in Bosnia to structure the trip so that its objectives can be met without in any way undermining our fundamental mission there. And on the security front, I feel quite comfortable with the trip as it has been designed and as we will carry it out.

Yes?

Budget Negotiations

Q. The offer that you made over the week-end certified now, as you point out, by the Congressional Budget Office has extracted from the Republicans a rather substantial set of concessions, the most substantial they've made yet. In light of that, they seem to be expecting you to counter that with a similar offer of your own. If you did, and you're as close as you say they are, it seems that would almost clinch it. Why not go ahead and do that, sir?

The President. That's my speech. You just made my speech for me. [Laughter] I have—first of all, I believe if you look at the spending concessions and you start from equal points, whether you start from our beginning budget offers or the ones that were made back in December, we have both made sub-

stantial concessions away from our original point.

My belief is that we should go for a balanced budget that is scored in a way that Congress recognizes, because that's what the law requires, but that, having done that, we should not—we should not violate the other conditions of our previous agreement which is to take any risks with Medicare or Medicaid or do things that we know will cause us to undermine our investment in education and the environment.

Now we can do that and get a tax cut. We still have some differences on policies relating to Medicare. We're trying to work out our differences over Medicaid. We still have some significant differences on environmental policies. But I believe all that can be worked out.

And so that's why I say I have been somewhat surprised at some of the negative tone of the stories coming out since we adjourned because I, frankly, felt quite good, and I did make them, as I said, an offer that I hoped that they would sleep on and work on.

Q. Well, is now the time for the President to come forward and say, let's split the difference?

The President. It's not as simple as splitting the difference. It's not just—there's more than money at stake here. There are policies at stake. And if you split the difference, again, according to the rules of the Congressional Budget Office, there must be policies which back up whatever number that you pick.

So that's why I say that if we know we can balance the budget and we know it will work over 7 years, we shouldn't go beyond that in any kind of gratuitous cuts in Medicare and Medicaid that will require policy changes that either we may have to back up on, which will undermine the credibility of the agreement, or that could do serious damage to the programs.

The First Lady

Q. Mr. President, when you campaigned in 1992, you and the First Lady both said that the American people would get two for the price of one. I wondered if that's still going to be a slogan in 1996, and if the First Lady has really taken the role that you envi-

sioned for her as First Lady or if she's just simply become too controversial?

The President. Well, first of all, I think she's done a fine job. I may have asked her to do more than anybody should ever have been asked to do when I asked her to undertake the health care effort. But there are worse things than wanting every American child to have health care coverage, just the way every child in every other advanced country in the world has.

I believe that—in the last 6 months or 8 months she wanted to take a lot of time off to write her book, which she did do. And I think the book is a very important contribution to America, which reflects 25 years of work, learning, and exposure on her part. And I expect that she will continue to be an enormous positive force in this country.

And in terms of controversy, very often in this town you don't make yourself controversial; someone else makes you controversial. So I don't think you can do anything about that, especially in the wake of the health care issue.

Q. If I could just follow up, sir, are you saying that her conduct, especially involving the Travel Office and the discrepancies in what she said about her involvement in Madison Guaranty, that these things have nothing to do with the controversy?

The President. Well, let me tell you, you are assuming something that has not been proved. No discrepancies have been established. Now, we were all concerned, as we have all said, that we kept hearing all these reports after we got here that there were problems with the Travel Office. It turns out there were problems with the Travel Office, and they were serious. An accounting firm said they were serious. Those have been corrected. The American people should feel good about that.

We also said—Mr. McLarty did, who was then the Chief of Staff, undertook his own review and said the matter wasn't handled well and detailed why. There have been something like seven reviews of the Travel Office.

So I would dispute your characterization. An allegation is not the same thing as a fact. And particularly, I would remind the American people, when it comes to the whole

Whitewater issue, the allegations have often—matter of fact, virtually always borne no relationship to the facts. That's really the story of this for the last 4 years. An allegation comes up, and we answer it. And then people say, "Well, here's another allegation. Answer this." And then, "Here's another allegation. Answer this." That is the way we are living here in Washington today.

We're going to do it, and I would ask that—the American people are fundamentally fair-minded. And as I would say, I just ask all of you to listen to the answers and do what the American people will do: Make up your own mind.

Yes, Brian [Brian Williams, NBC News].

Q. Mr. President, do you worry about the cumulative effect of this drumbeat, which is getting louder? As of close of business today, there will be more people under subpoena in the Travel Office matter than were fired in the Travel Office matter. And second, you must have discussed why it is—even if cleared in the end of all charges why it is your wife, the First Lady, appears to be the most—arguably, the most controversial First Lady at least in modern politics.

The President. Since Eleanor Roosevelt, for many of the same reasons, from many of the same sources. And that's just part of what we're living through. The American people can make up their own mind about the facts of it.

Q. To kind of stay on this theme of controversy, the end result seems to be that it's taken a toll financially on your obligations. And there's a magazine report out that's assessed your situation and basically decides that you're pretty close to bankruptcy. Could you give us a little bit of the financial toll?

The President. You know, I feel worse—I suppose that probably is right. I've never added it all up, but that's probably right. And I would like to remind you that today finally, at long last, records that everybody knew existed that weren't released apparently had been released. Apparently, the Republicans finally agreed to release the Resolution Trust Corporation report, which spent another \$4 million of the taxpayers' money to say what we said all along, that there is no basis even for a civil action against us, that we told the truth about the land agreement we had, that

we'd lost the money that we'd said we'd lost, that we had nothing to do with operating the savings and loan, that we took no money from it—just like we said all along.

So I think that's apparently part of the price of this. I tell you, I feel a lot worse about all the innocent people who work here who don't make particularly high salaries and don't have the net worth that we brought here who had to hire lawyers and pay legal fees, too, who were completely innocent of any wrongdoing and who have to deal with that.

I think it is interesting—let me say, I have no objection to, if anybody has a question of me, I'll be glad to keep answering them. But I do think it is interesting, when you were talking about getting the budget balanced and the controversy over Medicare, that this Congress has had over 40 hearings on Whitewater and one hearing on its Medicare bill. And if you look at—and I think that's an observation worth noting. I don't know what it means exactly.

Yes.

Budget Negotiations

Q. Back to the budget for a second. If the Republicans agree to reduce their tax cut, would you, in turn, agree to make more cuts in Medicare and Medicaid?

The President. Let me say again, I think it is wrong—first of all, I agreed not to discuss the negotiations retrospectively, and I—and I'm having a hard enough time negotiating in private. I can't do it with you as well as them.

But I want to make two comments. First of all, it is important that the budget number have integrity. Therefore, it is important that the budget number be supported by policies to achieve that number. And I will—I have not offered anything that I did not think there was a policy to back up, that would actually save money without hurting our efforts to provide Medicare to the seniors or to help poor and disabled children or the seniors in nursing homes that get the benefit of the Medicaid program.

So that is basically my parameter. And I'm open to new ideas and new suggestions on that. We're trying to encourage more people and more States to have the option of man-

aged care because we know that will lower inflation in the out-years without undermining the integrity of the program or the services available. No one knows exactly how much savings that will achieve, so we're trying to find a more reasonable thing to do on that.

Now, as a general proposition, I don't think that I or any Democrat—and I believe many Republicans—want to be in the position of appearing to have cut Medicare and Medicaid to fund an excessive tax cut. On the other hand, we can have some modest, but significant, tax relief in this budget bill if we do it right.

Q. Mr. President, back to the economy again. In assuming that perhaps some of the pessimism might be justified, as the markets have done in the past couple of days, are you willing, first of all, to consider a long-term CR that would keep the Government operating but not settle the budget question until, as you say, there is an election about it? And two, are you willing to pay the economic price of that happening, considering the way the markets reacted over the past couple of days on news that there may not be a deal?

The President. Let me give you two answers to that. First of all, if that happens, I'll cross that bridge when I come to it, and we'll all have to talk about it. But every time we have started to talk about what would happen if we didn't reach an agreement in our private meetings and how we would move from—we stopped after about two minutes, because at least in the context of our private conversations, no one has wanted to acknowledge that we could not reach an agreement for a plan over 7 years because we are close enough to do it and because we know we owe it to the United States to do it. So I believe we will reach an agreement.

Now, let me make a comment that I made the other day in a different context that I think perhaps I didn't emphasize enough. You now have two parties, not one, committed to reducing this deficit until it is eliminated. You have a record here of the Democratic President and our Democrats in Congress who alone—alone passed a budget plan

in 1993 that has reduced our deficit by one-half.

So I would say to the American people and to the financial markets, we're going to get this budget deficit down until the budget is balanced. But the best way to do it is to sign an agreement now so people can see. It's like the man on the moon—the budget will be balanced by "x" date. And that's what I think we should do. And I still believe that we will.

Tax Cut

Q. Mr. President, back on the budget, the Republicans propose a tax cut; you propose a tax cut. How will a tax cut, a modest tax cut, reduce the deficit?

The President. Well, first of all, the tax cut won't reduce the deficit unless it leads to increased growth in the context of a deficit reduction plan. If it does lead to increased growth, if it's part of—if it's a balanced plan so that the deficit reduction still has credibility, then the tax cut can play an important part of that by helping to provide some extra income, particularly to hard-pressed families with children who have had a more difficult time the last 10 or 15 years.

Let me ask you—you could make the same argument about education. You could say, well, how can you invest money on education and reduce the deficit? You do it because it strengthens the economy over the long run.

So if we target this tax relief particularly to families, to people seeking an education, to some of the priorities of the White House Conference on Small Business, some of those things that we've all talked about that I think we have broad agreement on, it will strengthen America, and in so strengthening America, it will make us stronger, we'll grow more, and we'll do better. But we have to do it in the context of knowing we're going to balance that budget.

Yes, Peter [Peter Maer, Westwood One Radio].

Speaker Newt Gingrich

Q. Mr. President, at the height of one of the earlier phases of the budget negotiations you made a comment about the tail wagging the dog in the House of Representatives. You didn't mention any names that day. So I'd like to ask you, what is your assessment of

Mr. Gingrich's leadership of his troops during the budget fight and, for that matter, for the past year of his speakership overall?

The President. Well, first of all, you have to look and say that they've held together pretty well. And you have to give him credit for that. He's held them together pretty well on a course that I have often disagreed with, but you must give him credit for that.

The only time that they had a significant breaking of ranks that moved toward the Democrats was on some environmental issues that I—and of course, I agreed with those who broke because I think we should have a stronger environmental policy in the United States than most of them do. But otherwise, they've pretty well stayed together.

Now, on the Government reopening, there were 17 that were, if you will, to Mr. Gingrich's right; they wanted to leave the Government closed and continue to play out this strategy, which I think was wrong. But I think he did the right thing there, just as I believe Senator Dole did in abandoning the strategy first. I think that when Speaker Gingrich saw that we had a plan that the Congressional Budget Office had scored, that I was continuing to work hard with him to reach an agreement, and it was wrong to keep the people out of work or have people working and not be paid—you know, you never—I say, "never"—you often don't get a hundred percent.

So I think he's still clearly the Speaker and clearly the leader of that House group. And I think he has a strong hand there.

Q. Do you think he should be more cautious about comments that affect the market like the comment that he made yesterday?

The President. Well, you know, this is one of those areas where I think we all have to take responsibility for ourselves. I don't think I should be characterizing that.

Yes, Mara [Mara Liason, National Public Radio].

Cooperation With Investigations

Q. You made a point about being open and cooperative with the Special Counsel and the investigating committees, and you've turned over tens of thousands of documents. The documents that were recently turned over, however, weren't turned over for a very

long period of time. I'm wondering if you're concerned enough about that delay to look into why they weren't turned over, and if you found that any of your staff hadn't been cooperative with the committees, what would you recommend to do about it?

The President. Well, first of all, I have no reason to believe that anybody on our staff has not been cooperative. And I think that everyone who's commented on this from the other side has basically supported that.

Now, on these last two matters, the people who—and let me remind you, these documents were not leaked, they were not found by investigators. These documents were found by people in the White House who turned them over. And the people who are on the committees will have every opportunity to ask them what the circumstances were in which they were found.

But we've told everybody that we're in the cooperation business. That's what we want to do. We want to get this over with. If I had known about these documents at the time they existed, I would have been glad to put them in an envelope myself and send them down there, because I think to just keep dragging this out is not good and not necessary. So I'm—the more the merrier, the quicker the better.

Q. Mr. President.

The President. Yes.

Q. If I could follow up, do you, though, feel you've gotten a satisfactory explanation from whatever staff was involved on why they were not found, and what was that explanation?

The President. Well, I have no reason to believe that there was any intentional failure to turn them over. I do not know. I want to wait and see what happens. They are all going to be given the opportunity to explain what the circumstances were. But our rules are clear, and our record is clear. I mean, we have literally pushed, I think, over 50,000 pieces of paper to the committees now and to all the relevant other bodies. And we are clearly trying to cooperate.

Yes, ma'am.

1996 Presidential Election

Q. Mr. President, the New Hampshire primary is now only about 6 weeks away. Do

you plan to formally announce that you intend to run for reelection and name a campaign manager and a campaign chairman? And if so, when?

The President. Well, I think people know what my intentions are, but I—in due course I will make those announcements.

I do believe, and I have said this repeatedly, that I think this process going on 4 years is too long. Indeed, when I announced for President as a virtual unknown in 1991, I didn't do it until October of 1991. And I just think that the process is too long. And I have a lot of work to do here as President. I'm trying to work with Senator Dole and Mr. Gingrich and Mr. Armey and others to get an agreement on the balanced budget. I am very concerned about making sure that things are going as they should in Bosnia. And I want to do my job as long as I can. But there will be plenty of time for politics this year. I imagine that everybody will be glad when the next election is done.

Debt Limit

Q. Mr. President, no budget deal could well mean no increase in the Government's borrowing authority. And I'm wondering whether you are willing to risk default as one of the costs of having no deal, or whether you're willing to invoke some emergency powers to increase that authority, even though the Treasury has been concerned that they may not have the legal basis to do that?

The President. Well, the Secretary of the Treasury has done a very good job in managing that so far and has not done anything that he has not been told he's on solid ground in doing. I think it would be wrong and almost inconceivable for the United States to default on its debt. It was bad enough to shut the Government down. It was harmful to the American people and to the good people who work for the Federal Government. That was wrong as part of some sort of strategy. And this would be wrong. We have never refused to pay our debts. We are a great nation, and I don't believe we'll do that.

Q. Mr. President, following up on that, with the debt limit so close at hand, it's not one of the issues that can be put off until November. Secretary Rubin, for example, says in a few weeks, we may face another

crunch. Are you actively negotiating anything on the debt limit that could resolve it well ahead of some of the other budget issues that might be delayed until November?

The President. Well, we have had very serious discussions within the context of the budget talks. And obviously, if there is a budget agreement, everyone assumes it will be resolved. But I believe it will be resolved, regardless, because it would be wrong not to do it. It would be simply wrong.

Federal Reserve Board Chairman

Q. Mr. President, a question about Alan Greenspan. As you know, his term is due to expire in a couple of months. Can you tell us when you plan to make a decision about whether you will nominate him for another term, what factors you are going to consider, and whether one of those factors would be the potential instability in the financial markets if you decided to nominate someone else?

The President. I have to make that decision within a couple of months, as you pointed out, and I'm going to follow my standard practice and tell you that I will make that decision in an appropriate way and announce it at the appropriate time. Obviously, I have done what I could to show the American people that we have a responsible Government. We are bringing the deficit down. We are looking out for the long-term health of the American economy, and we've had, I believe, the appropriate relationship with the Federal Reserve. And that's why we're still growing the economy without inflation.

Budget Negotiations

Q. Mr. President, do you see any danger to the economy if there is no budget deal this year at all, such as a recession?

The President. There should not be. We have the lowest combined rates of inflation and unemployment in 27 years now. We have worked very hard to keep unemployment going down, keep it well down under 6 percent, and to keep the inflation low. The underlying fundamentals are good. And our economic analysts say that they expect continued growth with no inflation in 1996.

I think it would—let me just say this: I think that if we could get a budget agree-

ment, it would be better for the economy, because I think it would be a spur for even lower interest rates and to have a longer recovery with longer, more stable growth. So I don't know that anything bad will happen if we don't get it, but it would be considerably better if we did.

And let me say again, if we decide that what we want to do is to balance the budget in 7 years—I have demonstrated with this letter I keep showing you that Congress has said that I have a plan to do it; they have a plan to do it; we are closer together than we were by far when these talks began. We can balance the budget. In order to do that, some of the differences between me and the Congress over some of these issues will have to be taken out of that budget agreement and deferred for the election. But that's what elections are for. We should not make the perfect the enemy of the good. Let me say that again: We should not make the perfect the enemy of the good. It is a good thing to balance the budget. It is a good thing to have the right kind of tax cut.

If there are other matters that cannot be resolved, we should defer them, have an election about them, let the American people make their judgments. Meanwhile, all of us, whatever happens in the next election, will always be able to say we passed a credible balanced budget plan; we passed a reasonable tax cut; we did what was right for America; and we didn't undermine our obligations in Medicare, Medicaid, education, and the environment.

1996 Election Issues

Q. Mr. President, as I recall, you once told the Republicans that if they wanted to pass these ideological changes, they'd have to have someone else behind the Oval Office desk to sign them into law. Is that what this boils down to, you putting your Presidency on the line for the budgetary items and the Government programs you believe in? And isn't that what the Speaker is saying, that these have—isn't he saying that these have to be resolved before they'll do any budget, other than continuing resolutions?

The President. But the point I'm trying to make—that is what I said. And if you look at the context in which I said it, at the pro-

posals they then had on the table, already they have moved on that. And I have made a good faith effort to come toward them. But that's what you have elections about.

The way democracies work—and particularly the way ours has worked for 200 years—is that people of good faith and honest differences attempt to reconcile their differences. And then when they can't, they attempt to do what they can and then let the voters resolve their differences that they can't resolve at election time. The important thing now is that all the American people know that one of the differences we do not have to resolve is whether we should pass a credible balanced budget plan. That can be done. That can be done in no time. We have already—both sides have agreed to well over—well over \$600 billion in spending reductions. We have agreed to more than enough to balance the budget in 7 years and still give a modest tax cut. So that is no longer at issue.

My view is we should do both those things. We should pass the balanced budget. We should give a modest tax cut. We should put the other differences off for the election. That's what elections are for. But that's not an excuse for us to lay down on the job now. The people hired us to show up for work every day. I mean, to say, well, we're not going to do anything until the people vote in November—this is not a parliamentary system. This is the American system, and it requires us responsibly to do what we can to set aside our partisan differences when we have an agreement and not hold up the good things waiting for what we believe are the better things. The better things, we can debate those in the election.

Q. Mr. President, what are the issues you think should be deferred to the election? You've mentioned Medicare and Medicaid several times as things you just can't tolerate that degree of cut.

The President. Well, I think the—in the structure of Medicare. You know, we can try some experiments, but to fundamentally change the structure of Medicare so that it would no longer be a recognizable guarantee for our seniors, I think that is going too far in the direction of just turning it over to in-

surance companies and other private providers.

Whether Medicaid should be a block grant instead of a guarantee from the Nation to our poor and disabled children and to seniors in nursing homes, that's something I think could be deferred to the election. But we can make an 80 percent agreement because I am in favor of letting the States have much more flexibility in the way they run the program.

Or some of the environmental aspects of their plan that I do not believe properly belong in that. I don't see why we should cloud this budget agreement with controversial items like whether we should drill in the Arctic National Wildlife Refuge. Those things are not necessary to balance the budget.

Q. Is that to say then, sir, that Medicaid and——

Debt Limit

Q. What can you say to U.S. investors to allay their fears that a debt limit will be increased? And do you feel that the Republicans actually understand what they're playing with?

The President. Well, I hope they do. Normally they say they're more pro-business than I am. I dispute that. I think that this administration has been very good for American business. But I will say again: It would be wrong for the Congress not to extend the debt limit so that we can pay our bills. As a country, a great country, we have never done that. We have never let the financial markets be in any doubt; we have never let the citizens who hold our debt be in any doubt that America is as good as its word, and we pay our bills. And I believe in the end that's what we'll do.

Earned-Income Tax Credit

Q. What are your policy—Mr. President, what are your policy concerns and parameters around the earned-income tax credit?

The President. Well, my policies are simple. The earned-income tax credit was first enacted, I believe, under a Republican President, Mr. Ford. I believe that either President Bush or President Reagan expanded it a little bit. President Reagan said it was the best anti-poverty program in the last 30

years. So this has always had strong bipartisan support. When I became President, I asked the Congress to roughly double the earned-income tax credit because I wanted to say, "If you work 40 hours a week and you have a child in your home, no matter how low your wage is, you will not live in poverty. You will not be taxed into poverty. The tax system will lift you out of poverty." I wanted to do that because I thought it was pro-work and pro-family, and because I thought it would encourage people to leave welfare and come to work.

Now, in the last 3 years we've had a decline in the welfare rolls, a decline in the food stamp rolls, a decline in the poverty rolls. That didn't all happen because of the earned-income tax credit, but it made a contribution. They believe there are some abuses in it; so do I. We have agreed on savings from abuse. There are disputes. Should single workers get a modest earned-income tax credit even though they don't have children? Many of them say no. I believe they should because if you're out there working, even if you're single, with minimum wage, your payroll—or even above minimum wage—your payroll tax will be much bigger than your income tax. And those folks are having a hard time keeping body and soul together. The vast majority of this money goes to people with children.

There are some other questions there that we could debate, but the core principle is the one I want to maintain. I think the United States ought to be able to say if you're out there working like you should full-time and you have a child when you come home from work, you ought not to have to raise that child in poverty. That is the principle behind the program and the one to which I want to adhere.

I'll take one more.

Whitewater Related Legal Bills

Q. Mr. President, another Whitewater related question. Money magazine recently reported that you owe some \$1.6 million in unpaid legal bills——

The President. That's just what he said.

Q.—related mostly to Whitewater investigations. Is it fair that taxpayers could end up paying some of those legal bills?

The President. Well, this is a—as I understand the law, the taxpayers won't pay any of the bills, because I'm not a target of the investigation, which the American people might find interesting to know. As I understand it, the Federal Government doesn't reimburse people's legal bills unless—I think one of the Cabinet members in a previous administration got some legal bills reimbursed because he was a target of an investigation, and then was either acquitted or not charged or something.

So I am assuming that I will be responsible in some form or fashion for those legal bills. But as I said, I didn't run for this office for the money. And I feel badly that 20 years of our hard effort and savings may go away. We've received some help from some people who, as you know, have contributed to the legal expense fund.

But if I stay healthy, I'll be able to pay my bills and earn a pretty good living. I'm far more concerned about the legal bills of other people that are much—they're smaller legal bills, but for them it's a lot of money. So I'm a lot more concerned about them than myself.

Yes, sir. One more.

Q. Could you clarify something, sir? Some of your answers today seem to suggest that you might agree with Mr. Gingrich and Mr. Dole that it might well take another election to resolve this whole budget deal.

The President. No, I disagree with that. I completely disagree with that.

Q. So you believe then, sir, that this is not going to go on and on and on. I mean, can you predict right now that by the State of the Union Address—

The President. Well, if it—let me just say that if it's up to me, I will do everything I can to keep it from going on and on. That is, we know you have now two plans that the Congressional Budget Office has certified. You just have to take my word for it, because we promised not to discuss the negotiations, but we've moved closer together. We are not that far apart on the money. As a percentage of the total monies that will be spent in the categories at issue, we probably are warring over less than 2 percent now. But in terms of the policies and the human impact, the

potential is very great in that money that's left. So there are policy differences left.

Now, what I'm saying to you is we owe it to the American people to pass a balanced budget deal and to do it now, because we have both identified more than enough savings to do it and to have the tax cut. We should agree on everything we possibly can. Then those things we can't we should defer to the next election. But when the voters vote in the next election they should have no doubt that their budget is going to be balanced and that Medicare and Medicaid and education and the environment are going to be protected; that the country is going to be stronger, that we are moving in the right direction and that here are these two very different sets of views about how we can best meet the challenges of the future. You decide, make your judgment, and you're still in the driver's seat. But meanwhile, we did what we were hired to do and what we said we would do, which is to balance the budget.

We have to adjourn, but let me just say this before I quit—where's Charlie Tasnadi? Where are you? Where are you? This is his—after 32 years working for AP, this is his very last Presidential press conference. Thanks for doing a great job. Let's give him a big hand. [Applause] I'm not sure you're old enough to retire, but there are some days when I can understand why you decided to. [Laughter]

Thank you, and God bless you.

NOTE: The President's 113th news conference began at 4 p.m. in the East Room at the White House. A portion of this news conference could not be verified because the tape was incomplete.

Remarks to the People of Bosnia January 11, 1996

To all the people of Bosnia, let me say I look forward to being with you tomorrow in a land where the waste of war is finally giving way to the promise of peace.

As I visit with American peacekeeping forces stationed in Bosnia, I urge you to seize that promise, to turn the peace agreement signed one month ago from words into deeds. For nearly 4 years the war that tore Bosnia apart dramatized your differences.

But for all that divides you, so much more unites you. Of course you are proud to be Muslims or Croats or Serbs. But all of you are also citizens of Bosnia, bound together by marriage and culture, by language and work, by shared love in a place you all call home. I believe that deep down you all want the same things: To live and raise your families without fear, to make a better life for your children. If these desires are ever to become reality, there must be peace.

The United States and countries all around the world have sent you the men and women of our Armed Forces to help safeguard the peace so many of you have wanted for so long. Our troops are well prepared and heavily armed, but they come in peace. Their mission is to supervise the withdrawal of your armies behind the agreed separation line, to help assure that war does not break out again, to create a more secure climate throughout Bosnia so that you can rebuild your towns and roads, your factories and shops, your parks and playgrounds.

We can help you do all these things, but we cannot guarantee that the people of Bosnia will come together and stay together as citizens, equal citizens, of a common land with a shared destiny. Only you can do that, with the courage of an open mind and the generosity of an open heart.

After so many lives lost and futures destroyed, I know that rebuilding a sense of community and trust may be the very hardest task you face. But you have a responsibility to try, not because other nations want you to do it, not even because your leaders want you to do it. You must do that for yourselves and especially for your children. It is said that every child is the chance for a new beginning. Now, this peace gives to all the children of Bosnia, and to all of their families, the chance for a new beginning. Seize this chance for peace. We don't have to imagine what the future will look like if you don't; we have seen that in the sorrow and suffering you have endured already over the past 4 years.

But just imagine the future if you do seize this moment, if you do rebuild your land and your lives together. For so much of your history you found strength in your diversity. Muslims, Croats, and Serbs flourished side

by side in Sarajevo, in Tuzla, in Mostar, and throughout Bosnia. Some of you prayed in churches, some in mosques, some in synagogues. But you lived and worked together, building schools and libraries, trading goods and services, creating plays and music. You were neighbors and friends and families, and you can be again if you seize the best chance for peace you have had, and what could be the last chance for peace you will have for a long, long time.

I speak to you today on behalf of the American people, who know from our own experience the hard work it takes to forge a community from a nation of so many different groups. More than a century ago we fought a fierce Civil War over race and slavery. Still today we struggle with the legacy of that war, and the challenge of our present make-up when we have so many races and religions and ethnic groups all over America. But we have learned that there are great benefits which come from finding common ground. Our Nation is stronger and the lives of our people are more peaceful, more prosperous, more filled with hope when we bridge the valley of our differences to become a real community. Together with nations from all corners of the world, we have come here to Bosnia to help you do the same.

So, people of Bosnia, you have ended your war, but now you must build your peace. I believe the greatest struggle you face is not among Muslims and Serbs and Croats; it is between those who embrace peace and those who reject it, those who look to the future and those who are blinded by the past, those who open their arms and those who still clench their fists. So each and every one of you must choose. You have seen the horror of war; you know the promise of peace. Choose peace.

May God bless all the people of Bosnia.

NOTE: This address was videotaped at 10:04 a.m. in the Roosevelt Room at the White House for later broadcast on the United States Information Agency Worldnet, and it was released by the Office of the Press Secretary on January 12. A tape was not available for verification of the content of this address.

Interview With the Voice of America

January 11, 1996

Q. Mr. President, you are regarded as a hero in Bosnia, you are the person who brought peace over there. Yet, we do have some renewed fighting between Muslims and Croats. Are you going to be meeting with any local leaders and addressing the issue?

The President. Well, I know I'm going to see President Izetbegovic, and I'm going to, hopefully, see President Tudjman. And we may be able to see some others, as well—I don't think that it's been finalized, all the people I will speak with. But I will do what I can while I'm there to help to encourage the parties to follow the letter and the spirit of the Dayton Agreement and the Paris Peace Accord.

Q. NATO bombed the Bosnian Serbs, we know that, and these people are terrified. What do we tell them now that NATO is back in Bosnia?

The President. You should tell them that NATO is back in Bosnia only because the leaders of all the groups asked NATO to come in, as a strictly neutral partner. If you look at the United States, we have agreed to work in an area of Bosnia where we will be working with the Russians who are more sympathetic with the Serbs. We and the Russians are working together in the hope that we can convince all the parties, the Serbs, the Croats, and the Muslims, that we have no ill-will toward anyone, we wish to hurt no one, we are there only to help them implement the peace agreement their own leaders have made.

Q. Thank you.

The President. Thank you.

Q. Good luck.

The President. Thank you.

NOTE: The interview began at approximately 10:15 a.m., following the videotape recording to the people of Bosnia in the Roosevelt Room at the White House, and it was released by the Office of the Press Secretary on January 12. In his remarks, the President referred to President Alija Izetbegovic of Bosnia-Herzegovina and President Franjo Tudjman of Croatia. A tape was not available for verification of the content of these remarks.

Remarks to Employees at Peterbilt Truck Plant in Nashville, Tennessee

January 12, 1996

The President. Thank you. Boy, I'm glad to be here. I need this. Sort of a fix from home. [Laughter].

I want to thank the Vice President for his wonderful statement this morning, but more important, I want everyone of you to know that whether it's working on downsizing our Government in a way that gives the American people a Government that works better for less or working on finding ways to protect our environment in ways that grow jobs instead of undermining the economy or working on our relationships with Russia in a way that makes sure we are never, never, never again threatened with the specter of nuclear war, Al Gore, from Carthage, Tennessee, is the most influential and effective Vice President in the history of the United States of America.

I've got a lot of friends here today. I want to thank the Mayor for coming and Congressman Clement and Gordon and Tanner. And my dear friend, your former Governor, Ned Ray McWherter, who actually purchases your trucks. At least that's what he tells me. [Laughter] The first time I met Ned McWherter I talked to him for 30 seconds, and I wanted to reach in my back pocket and make sure my billfold was still there. [Laughter]

Audience Members. Ohhhh. [Laughter]

The President. But they're not making many like him anymore, and I'm glad to see him looking so thin and fit. Looks like a new morning. [Laughter]

I want to thank Joe Scattergood and Wayne Wooten for going through the plant with me. And thank you, Bobby Lee, for what you said and for being here. And thank you, Tom Plimpton, for the wonderful tour. And let me say also, I want to thank these retirees who are back here, and I want to mention I met two people today who work here, and this is their last day on the job. And I want to acknowledge them because I think Al Gore and I should have shown up for their retirement party.

The first person has been here 25 years, Mr. Bill Douglas. He's over there. And I met

a lady on the line. I don't know where she is, but she's been here 19 years, and she's leaving today. Her name is Dorris Skaggs. Dorris, where are you. Give her a hand. [Applause]

I want to say one word—before I talk about where we are with the big budget fight in Washington and the economy, I want to say a word about one other issue that involves three people from this plant.

As the Vice President said, as soon as I leave you here in Nashville today I am going to Bosnia to visit the men and women who are helping to secure the peace agreement there. With our help the people of Bosnia who, for 4 long years, were denied the simple chance to go to work and raise their children in peace, now have an opportunity to rebuild their lives and their country.

Bosnia is the country where World War I began. Bosnia is the country that's so closely tied to others, that if that war were to spread it could cause many Americans and many other people from freedom-loving countries around the world to lose their lives trying to stop it.

So we have worked hard not to try to fight a war but to bring a peace for the humanitarian reasons that involved the people there and to keep that war from spreading in ways that could hurt the United States and our friends and allies in Europe. This is a very good thing the American people and our friends from around the world are doing. And all Americans should be proud of what they are doing in Bosnia.

Three of your own co-workers are in Germany right now with their National Guard units supporting that mission. A lot of Americans don't know this, but you can't just send soldiers to Bosnia. We have people in Hungary supporting them, people in Croatia supporting them, and people in Germany supporting them. And people that you have are Emmett Northington who puts these world-class trucks together, Charles Hobson who paints them, and Richard "Lightning" Maxwell who actually gets to test drive these machines. Give them a hand. Let's give them a hand. [Applause]

Most of the time, these people work right beside you. Today they are a long way away, working for a better, safer world. I know they

and their families will remain in your prayers until the day when they all come back here to work again.

What they are doing, to me, symbolizes what the great issue of our time is all about. The United States, if you just look at the rest of the world with the cold war over, it is tempting for us to say, "Boy, we ought to just shut down our defense and come home and hope nothing bad happens." But the truth is that, as Nashville, as this area, perhaps more than any other area the South knows, we are tied in with the rest of the world today whether we like it or not. And we have a profound interest in seeing the United States be the world's leading source of energy for peace and freedom and democracy. It helps us economically, and it helps us to be more secure.

I am proud of what our country has been able to do in the last couple of years in Bosnia and the Middle East, in Haiti and Northern Ireland and southern Africa. I am proud of the fact that, with the leadership of the Vice President, for the first time since the dawn of the nuclear age, there is not a single nuclear missile pointed at an American child today. I am proud of that.

With terrorism threatening people all around the world, both homegrown terrorism—we've seen that—and terrorists coming into our country to make mischief and kill people—we've seen that—I am proud of the fact that because we're cooperating with other countries, we have actually seen them help us arrest, apprehend, and send back to this country people who came into our country and killed innocent people for illegitimate political ends. I am proud of that, because we do cooperate.

Because we cooperate with other countries, I am proud of the fact that our military and our civilian law enforcement officials helped to capture seven of the biggest drug leaders in Colombia in the last 2 years, because we're cooperating with other countries. And I am proud of the fact that in the last 3 years, our exports of American products have increased by one-third in only 3 years to an all-time high. So we are involved in the rest of the world.

People are making decisions about dope in other countries that are going to kill Amer-

ican kids on the streets here. We need to be involved with them. Their governments are having to take more risks than we do to try to stop it. They have to put their lives on the line. We need to be their partners.

If we want people to buy our products, we need to be their partners. If we want people to dismantle their nuclear weapons and not to build these awful biological and chemical weapons, we have to be their partners. If we want people to stand up to terrorism, we know no country can do it alone.

So you have to see what we're doing in Bosnia and what your three co-workers are doing as part of America's efforts to create a world where people like you everywhere can build strong families and have decent jobs and relate to one another in an atmosphere of peace. That is what those people are doing in Bosnia. And I am very, very proud of them.

Now, here at home, all the headlines are dominated by the budget debate. And every day sounds like a long horse race. Well, are they going to get a deal or aren't they going to get a deal? I want you to see that in kind of a big picture, too.

One of my favorite Presidents is Andrew Jackson. And one of the things Andrew Jackson did was to get rid of the national debt. Now, it was easier back then, but it was still hard. And he got it done because he was determined.

When I showed up in Washington, I could not believe that we had quadrupled the debt of this country in only 12 years. Until 1981, we never—we never had a policy, in all of our history, of consistently spending more money than we were taking in. Debts had been used to try to spark the economy when there was a recession. Or if we were at war, we had to sell bonds and borrow more money because we had to gear up in a hurry. But until the 12 years before I became President, there had never been a policy in our country to just run a big debt all the time, in good years and bad years, just because it was too much trouble to be disciplined.

So I don't like what has happened. And when we showed up, we had a different idea. We said, the people who think you don't have to be concerned about the deficit are wrong. But the people who think that it doesn't mat-

ter how you spend your money, and therefore, you don't have to invest in anything, they're wrong, too. We have to cut the deficit and invest in our future. It's worth investing in education. It's worth protecting Medicare and Medicaid. It's worth investing in the environment to protect the environment for the future. We have to invest in some things, but we've got to get rid of this deficit. It is eating us alive.

I want you to know that in the last 3 years we've cut that deficit in half in only 3 years—from nearly \$300 billion a year down to \$160 billion. I want you to know that your Federal budget would be balanced today if it weren't for the interest we have to pay on the debt that was run up between 1981 and the end of 1992, before we took office. Just that interest rate—this budget would be balanced today if it weren't for the interest we're paying on the 12 years when we departed from the historical practice of this country of paying our way and running the deficit only in recessions or wartime.

Now, those are the facts. So you need to know there is no party in Washington trying to expand the deficit. We now have a consensus on that. This debate is over how to balance the budget, not whether to balance the budget.

You heard the Vice President talk. You know, I'm proud of the fact that the economy has rebounded since we took office. It's rebounded because we invested in our country and cut the deficit. It's rebounded because we changed the way the Government works. Under his leadership—I bet you nobody in this room knows this—under his leadership there are now 205,000 fewer people working for the Federal Government than there were the day we took office—205,000.

Now, how come nobody knows that? For two good reasons. One is we just didn't throw those people in the street. I don't believe in that. If you've got to downsize the Government you need to treat the workers with dignity, and we gave them good early retirement packages. We gave them good severance pay. We gave them extra time to find other jobs. We gave them time to go on and find a different life where they could be even more productive.

The second reason is, the folks that are left are working harder and smarter, and they're doing a better job, just like you. Their productivity has gone up. But all these people that talk about big Government—your Government is the smallest it's been since 1965. As a percentage of the work force, because the population has been growing, your Government is the smallest it's been since 1933. So don't let people tell you that we're the big Government crowd in Washington.

But maybe more important, we've tried to do things that would reinforce our values. We passed a tough and a smart crime bill. Do you know, in America—read the cover one of our national news magazines this week—the crime rate is down in America; the welfare rolls are down in America; the food stamp rolls are down in America; the poverty rolls are down in America. For 2 years, the teen pregnancy rate has come down in America. The American people are rallying around their basic values. And if we can keep this economy growing and keep people moving from welfare to work, so that we stand up for our values and grow the economy, that's what will take this country into the next century as the world's strongest force for freedom and opportunity. That's what we've got to do.

So what I want you—that's how I want you to see this budget debate. That's the background. This country is moving toward the right kind of future. We do have to finish the job and balance the budget; the question is how. The Vice President framed it in one way. He said, we try to think about what's best for people like you. We want to grow the middle class and shrink the under class. We think the best way to make more millionaires is to have more successful working people buying the things that they're putting out, whether they're products or services. That's one way to say it.

Let me say it in another way. I think what works in this plant is what works in America. What works is teamwork. We believe in individualism. We believe in individual rights. We believe in individual decisionmaking. But the truth is we are not in this alone. And another big line, a way to think about this debate we're having in Washington is whether you think we're working toward a society

where we've either got winner-take-all or a society where everybody had got a chance to win. I think we ought to have a society where everybody's got a chance to win. If you're willing to work hard and play by the rules, everybody ought to have a chance to win.

And if you look at the teamwork—you know, everybody cheered here, everybody cheered here when you said that Peterbilt was the world's best plant making trucks. Everybody cheered. I didn't know who was management and who was labor. I didn't know who was working on the chassis or the cabs. Right? What works is when you work together.

Yes, we have created a good economic climate, but if you folks weren't doing a good job, you still wouldn't have these extra 650 workers. You did that. We didn't do that. We didn't have anything to do with that. Our job in Washington is to create a framework in which you can succeed. But we can't guarantee that. That's all your doing. You deserve all the credit. But you didn't do it by first one person running this way and another running the other way and pulling everything apart. You did it by pulling together.

That's what I'm trying to do for this country. And that's what this budget debate is about.

Now, I introduced a budget and—balance the budget in 9 years. Then the Republicans said, "Let's do it in 7." I said, "Okay." Then they said, "We think that you're too hopeful about the economy." I said, "Well, I think the economy will get better if we balance the budget. But if you don't think it will, we'll do it on your numbers." So then I gave them a 7-year balanced budget on their numbers. And then we began to try to work out our differences. Now, all the press is about the differences. But I want you to know that we have resolved a lot of those differences, and the differences that remain, I think, are quite important.

My plan protects Medicare so we can honor our duty to our parents by seeing to it that they're able to lead lives of dignity. But it is not just for them, because if you weaken Medicare too much, then people like you will have to spend more money on your parents, and you'll have less money to send

your kids to college. This is an intergenerational thing. This is not about pandering to senior citizens. This is about helping families stay together.

Our plan also leaves more funds to invest in education from Head Start to helping our schools meet higher standards, not by telling them what to do but by saying, "Here are the standards and you figure out how to meet them, and we'll give you some money so you can do it;" by providing more affordable college loans and more college scholarships, not just because we're trying to help the young but because we're trying to provide for the future. And that's what we have to do.

Our plan leaves more money to invest in the environment because we know we've got to find a way to grow the economy and preserve the environment. Just last week there was a big story about something the Vice President's been saying for years and years and years. Last year was the hottest year on record, and we have got to find a way to keep growing the economy without burning up the atmospheric layer that protects us all. We've got to find a way to do it and still preserve the clean rivers that we fish in and the woods that we hunt in and the parks that we take our children to. It's a big issue. You've got to set aside something for that. And that's what we do.

The Medicaid program is the program that pays for middle class folks to send their parents to nursing homes so that they don't have to go totally bankrupt and their kids don't have to go totally bankrupt. It also pays for health care for poor children, including some children of working people who make very modest wages. We can make some savings there, but we've got to be careful how far we go.

It also pays for care for middle class people who have disabled children. I bet there are people that work in this plant who have children with some sort of physical disability who get a little help through that program. That is an honorable and a decent thing to do.

Yes, we need to control medical inflation, but we have to do it in a way that leaves that intact. Why? Because we are stronger when we are working together than we are when we just cut everybody loose. That is the issue: Are we going up or down together;

do we want a society where all can win or are we satisfied with winner-take-all? America is best when everybody's winning as a team. That is what we are for. We are not for big Government in Washington. We're for a Government in Washington that plays its part as your partner to see that everybody has a chance to win. That's what this whole budget debate is about.

As I said, to be fair to the Republican and the Democratic congressional leaders, we have sat together for 50 hours. And I thought the other day, you know, sometimes we fight with one another in these 50 hours, and they think I'm wrong and I think they're wrong. And here we are in Nashville. It reminds me of that old country song, "It's hard to soar like an eagle when I'm stuck with a turkey like you." [Laughter] Sometimes they think that about me. Sometimes I think that about them.

But we've tried to resolve our differences. And we've made a lot of progress. And here's where we are. They still want levels of reductions in Medicare and Medicaid and education and the environment that are not necessary to balance the budget. They admit they're not necessary to balance the budget. They sent me a letter saying that my plan balanced the budget. So there's no question that they're not necessary to balance the budget.

My plan strengthens the Medicare Trust Fund and gives more choice and more preventive benefits to older Americans and added help for families that are caring for loved ones with problems like Alzheimer's disease. But it will save money from the present system. We agree on that. But they want to go beyond that.

Their plan cuts Medicare more than it needs to be cut to balance the budget. And they would favor wealthier and healthier senior citizens at the expense of everybody else by giving them many more opportunities just to get out of the Medicare system. Well, the reason Medicare works is that everybody's in it, the sick and the healthy alike. You're got a great big pool that's low risk. And we can afford to run it, and you can afford to pay for it. So I just disagree with that.

Under their plan, older couples would pay \$400 more a year. Well, if you're making a

good living, \$400 may not be very much. But there's a lot of retired people in the hills of Tennessee and rural Arkansas that \$400 is a whole bunch of money. And I simply don't think it's right for me to get a tax cut in my income bracket and then to charge them \$400 more a year. I just don't think it's right. If it were necessary to balance the budget, it would be all right. But it's not. It is not necessary to balance the budget.

You know, where I come from, \$400 is still a whole lot of money to a lot of those old folks. It really matters. Now, if we had to have it to balance the budget or save Medicare, I'd be happy to ask for it. But since we know we don't, we shouldn't take it.

The real problem is this: Some of the Republicans honestly just want to balance the budget. And they're also honestly concerned with the cost of Medicare and Medicaid. Some of the Republicans are using the balanced budget and the very large tax cut they want to say, "Well, if we balance the budget, we have a big tax cut, then we just don't have any money for this."

What they want to do is to end the ability of your Nation's Government to say America can protect all our seniors through Medicare, can protect the poor children, the handicapped children, the people in nursing homes through Medicaid, can make a major contribution to education, to educational technology, to reviving this country. They don't believe we ought to do that any more. They think we should put that back to the market alone.

The problem is if the market alone does that, then we're not working as a team anymore. Then we're not saying everybody has a chance to win anymore. Then we're not being your partner anymore. That is the whole issue here. It's not about big Government. We have given you the smallest Government the American people have had as a percentage of our civilian work force since 1933. It's not about regulation. We're getting rid of 16,000 pages of Federal regulation. It's not about the deficit. The deficit has been cut in half, would be balanced today if it weren't for the debt run up in the 12 years before we showed up. But it's nothing about that. It's about philosophy.

Now, here's the argument I'm making to them. Now, they've got a lot of compelling points. If they were here today, they could make their speeches, and you'd think they'd make some good points, too. My argument is, we're going to have an election here in November, and we can argue about how the Medicare program should be structured, beyond where we can agree; we can argue what our environmental policy should be, beyond where we can agree; we could argue whether it's a good or a bad thing for the Federal Government to give lower cost college loans to students and give them better terms to repay it so nobody will be discouraged from going to college by the debt. We can argue all that, but we have already agreed on enough savings to balance the budget. And since we agree on that, and we've already agreed on how to save the money to do it, let's go on and balance the budget and get that out of the way. We owe that to the American people. It is wrong not to do it. Let us balance the budget and do it now.

I will say today, I watched that cab being set down on the chassis today, right before I came up here, and I thought, now, that's a picture of what America's all about. We work well when we work together. I got tickled—you know the Vice President talked for 6 minutes before he mentioned the Tennessee football team. I didn't dream it would take him that long. *[Laughter.]* Now, Tennessee's got a great quarterback, but if it weren't for the other 10 people on the offense and the other 11 on the defense, you wouldn't have the ranking you enjoy. You watched that Ohio State game; it was a balanced team that won that game.

If you look at what happens when the American military goes someplace, and you're proud of them, there are a lot of heroes out there, but it's the team that wins. And that's what this is all about. It's also about recognizing that in life you do what you can today and you put off the rest until tomorrow. So I say again to my Republican and my Democratic friends in the Congress, we can balance the budget today. We have already agreed on how to do that. We can give a modest tax relief geared to childrearing and education for the working families of America. We have agreed on that. We can

do some things for small business. We've agreed on that.

Let us take what we can agree on and balance the budget while we protect Medicare and Medicaid and education and the environment and give modest tax relief. Let us be honest with the American people what we disagree on, and let the American people make their decision in November. But we are hired to show up for work every day, just like you are. We can't just go on a work stoppage from now until November and not deal with this. So we should balance the budget now and put the differences off and let you decide in November who you think is right. Whatever you say, it will probably be right. It's been right most of the time for the last 200 years. But meanwhile, we should do our job.

Thank you very much, and God bless you.

NOTE: The President spoke at 10:10 a.m., on the factory floor. In his remarks, he referred to Mayor Philip N. Bredeisen of Nashville; Joe Scattergood, plant manager; Wayne Wooten, president, United Auto Workers #1832; Bobby Lee Thompson, director, United Auto Workers, Region 8; and Tom Plimpton, general manager, Peterbilt Division. A portion of these remarks could not be verified because the tape was incomplete.

Proclamation 6861—Martin Luther King, Jr., Federal Holiday, 1996
January 12, 1996

*By the President of the United States
of America*

A Proclamation

Our country's motto, "E Pluribus Unum"—out of many we are one—charges us to find common values among our varied experience and to forge a national identity out of our extraordinary diversity. Our great leaders have been defined not only by their actions, but also by their ability to inspire people toward a unity of purpose. Today we honor Dr. Martin Luther King, Jr., who focused attention on the segregation that poisoned our society and whose example moved our Nation to embrace a new standard of openness and inclusion.

From Montgomery to Birmingham, from the Lincoln Memorial to Memphis, Dr. King

led us to see the great contradiction between our founders' declaration that "all men are created equal" and the daily reality of oppression endured by African Americans. His words have become such a part of our moral fabric that we may forget that only a generation ago, children of different races were legally forbidden to attend the same schools, that segregated buses and trains traveled our neighborhoods, and that African Americans were often prevented from registering to vote. Echoing Abraham Lincoln's warning that a house divided against itself cannot stand, Dr. King urged, "We must learn to live together as brothers, or we will perish as fools."

Martin Luther King, Jr.'s call for American society to truly reflect the ideals on which it was built succeeded in galvanizing a political and moral consensus that led to legislation guaranteeing all our citizens the right to vote, to obtain housing, to enter places of public accommodation, and to participate in all aspects of American life without regard to race, gender, background, or belief.

But despite the great accomplishments of the Civil Rights Movement, we have not yet torn down every obstacle to equality. Too many of our cities are still racially segregated, and remaining barriers to education and opportunity have caused an array of social problems that disproportionately affect African Americans. As a result, blacks and whites often see the world in strikingly different ways and too often view each other through a lens of mistrust or fear.

Today we face a choice between the dream of racial harmony that Martin Luther King, Jr., described and a deepening of the rift that divides the races in America. We must have the faith and wisdom that Dr. King preached and the convictions he lived by if we are to make this a time for healing and progress—and each of us must play a role. For only by sitting down with our neighbors in the workplace and classroom, reaching across racial lines in our places for worship and community centers, and examining our own most deep-seated beliefs, can we have the honest conversations that will enable us to understand the different ways we each experience the challenges of modern life. This is the peaceful process of reconciliation that Dr.

King fought and died for, and we must do all we can to live and teach his lesson.

Now, Therefore, I, William J. Clinton, President of the United States of America, by virtue of the authority vested in me by the Constitution and laws of the United States, do hereby proclaim January 15, 1996, as the Martin Luther King, Jr., Federal Holiday. I call upon the people of the United States to observe this occasion with appropriate programs, ceremonies, and activities.

In Witness Whereof, I have hereunto set my hand this twelfth day of January, in the year of our Lord nineteen hundred and ninety-six, and of the Independence of the United States of America the two hundred and twentieth.

William J. Clinton

[Filed with the Office of the Federal Register, 8:45 a.m., January 17, 1996]

NOTE: This proclamation was published in the *Federal Register* on January 18.

Proclamation 6862—Religious Freedom Day, 1996

January 12, 1996

By the President of the United States of America

A Proclamation

On this day over 200 years ago, Virginia's General Assembly passed a law that created the first legal protection for religious freedom in this country. Introducing his bill to the Virginia Assembly, Thomas Jefferson stated that he was not creating a new right confined simply to the State of Virginia or to the United States, but rather declared religious liberty to be one of the "natural rights of mankind" that should be shared by all people. Jefferson's language was shepherded through the legislature by James Madison, who later used it as a model for the First Amendment to the United States Constitution.

Americans have long benefited from our founders' wisdom, and the Constitution's twin pillars of religious liberty—its protection of the free exercise of religion and its ban on the establishment of religion by the Gov-

ernment—have allowed an enormous diversity of spiritual beliefs to thrive throughout our country. Today, more than 250,000 churches, synagogues, mosques, meeting houses, and other places of worship serve to bring citizens together, strengthening families and helping communities to keep their faith traditions alive. We must continue to ensure full protection for religious liberty and help people of different faiths to find common ground.

Our Nation's profound commitment to religious freedom reminds us that many people around the world lack the safeguard of law to protect them from prejudice and persecution. We deplore the religious intolerance that too often tears neighbor from neighbor, and we must remain an international advocate for the ideal of human brotherhood and sisterhood and for the basic rights that sustain human dignity and personal freedom. Let us pledge our support to all who struggle against religious oppression and rededicate ourselves to fostering peace among people with divergent beliefs so that what Americans experience as a "natural right" may be enjoyed by individuals and societies everywhere.

Now, Therefore, I, William J. Clinton, President of the United States of America, by virtue of the authority vested in me by the Constitution and laws of the United States, do hereby proclaim January 16, 1996, as Religious Freedom Day. I call upon the people of the United States to observe this day with appropriate ceremonies, activities, and programs, and I urge all Americans to reaffirm their devotion to the fundamental principles of religious freedom and religious tolerance.

In Witness Whereof, I have hereunto set my hand this twelfth day of January, in the year of our Lord nineteen hundred and ninety-six, and of the Independence of the United States of America the two hundred and twentieth.

William J. Clinton

[Filed with the Office of the Federal Register, 8:45 a.m., January 17, 1996]

NOTE: This proclamation was published in the *Federal Register* on January 18.

Digest of Other White House Announcements

The following list includes the President's public schedule and other items of general interest announced by the Office of the Press Secretary and not included elsewhere in this issue.

January 5¹

The President announced his intention to nominate Luis Valdez to the National Council on the Arts.

January 8

At noon, the President attended a Clinton/Gore fundraising luncheon at the Hay Adams Hotel.

In the afternoon, the President had a telephone conversation with Mayor Willie L. Brown, Jr., of San Francisco, CA, during the mayor's swearing-in ceremony.

January 10

The President announced his intention to appoint Stuart G. Moldaw to the Commission on Presidential Scholars.

The President named Evelyn S. Lieberman as Assistant to the President and Deputy Chief of Staff.

The President announced his intention to appoint Joel I. Ferguson as a member of the Board of Directors of the Federal Home Loan Mortgage Corporation.

January 11

In the evening, the President addressed the Ohio caucuses by telephone from the Oval Office.

Later in the evening, the President traveled to Nashville, TN, where he had a telephone conversation with Prime Minister Ryutaro Hashimoto of Japan.

The President sent a letter to Gov. Parris N. Glendening declaring a major disaster in the State of Maryland due to damage resulting from the "Blizzard of 1996," which occurred on January 6–10, and authorized Federal relief and recovery assistance in the affected area.

The President sent a letter to Mayor Marion S. Barry declaring a major disaster in the

¹ This item was not received in time for inclusion in the appropriate issue.

District of Columbia due to damage resulting from the "Blizzard of 1996," which occurred on January 6–10, and authorized Federal relief and recovery assistance in the affected area.

January 12

In the afternoon, the President attended a Clinton/Gore fundraising luncheon at the Opryland Hotel.

In the evening, the President traveled to Aviano Air Base, Italy.

The President sent a letter to Gov. Thomas R. Carper declaring a major disaster in the State of Delaware and ordered Federal aid to supplement State and local recovery efforts in the area impacted by the "Blizzard of 1996," which occurred on January 6–12.

The President sent a letter to Gov. George E. Pataki declaring a major disaster in the State of New York and ordered Federal aid to supplement State and local recovery efforts in the area struck by the "Blizzard of 1996," beginning on January 6 and continuing.

Nominations Submitted to the Senate

NOTE: No nominations were submitted to the Senate during the period covered by this issue.

Checklist of White House Press Releases

The following list contains releases of the Office of the Press Secretary that are neither printed as items nor covered by entries in the Digest of Other White House Announcements.

Released January 6

Transcript of a press briefing by Assistant to the President and Director of Legislative Affairs John L. Hilley on the Federal budget

Released January 9

Transcript of a press briefing by Chief of Staff Leon Panetta on Federal budget negotiations

Released January 10

Transcript of a press briefing by Press Secretary Mike McCurry

Transcript of a press briefing by Chief of Staff Leon Panetta announcing the appointment of Evelyn S. Lieberman as Assistant to the President and Deputy Chief of Staff

Released January 11

Transcript of a press briefing by Press Secretary Mike McCurry

Transcript of a press briefing by Lt. Gen. Howell M. Estes III, Joint Staff Director for Operations, and Deputy National Security Adviser Samuel Berger on the President's visit to Bosnia

Statement by Press Secretary Mike McCurry announcing disaster declarations for Maryland and the District of Columbia

Released January 12

Statement by Press Secretary Mike McCurry announcing a disaster declaration for Delaware

Statement by Press Secretary Mike McCurry announcing a disaster declaration for New York

**Acts Approved
by the President**

Approved January 6

H.R. 1358 / Public Law 104-91
To require the Secretary of Commerce to convey to the Commonwealth of Massachu-

setts the National Marine Fisheries Service laboratory located on Emerson Avenue in Gloucester, Massachusetts

H.R. 1643 / Public Law 104-92
Making appropriations for certain activities for the fiscal year 1996, and for other purposes

H.R. 1655 / Public Law 104-93
Intelligence Authorization Act for Fiscal Year 1996

H.J. Res. 134 / Public Law 104-94
Making further continuing appropriations for the fiscal year 1996, and for other purposes

Approved January 10

H.R. 394 / Public Law 104-95
To amend title 4 of the United States Code to limit State taxation of certain pension income

H.R. 2627 / Public Law 104-96
Smithsonian Institution Sesquicentennial Commemorative Coin Act of 1995

Approved January 11

H.R. 2203 / Public Law 104-97
To reauthorize the tied aid credit program of the Export-Import Bank of the United States, and to allow the Export-Import Bank to conduct a demonstration project